



FHA Sections 223(f) Market Rate

Mortgage Insurance for Multifamily Projects Acquisition or Refinance of Existing Multifamily Housing

The 223(f) Program features: high leverage, fixed rate, long-term, self-amortizing, non-recourse, assumable, first lien mortgage debt for the Acquisition or refinance of multifamily properties. The program is insured by the Federal Housing Administration (FHA) and provides access to affordable financing for capital needs nationwide.

- Includes multifamily financing for properties of 5 or more units; garden/mid-rise/high rise.
- Minor repairs (not to exceed the greater of \$15,000/unit times the area high cost factor or 15% of the “as-improved” market value) may be included in the loan amount.
- Property must have been completed or substantially rehabilitated more than three years from the date of application for mortgage insurance.
- Minimum physical occupancy of 85% for market rate properties with six consecutive months of stabilized operations.

Eligible Borrowers:	Single Asset Entity, for-profit, not-for-profit and municipally-owned
Loan Term:	The lesser of 35 years or, 75% of the remaining economic life, as determined by appraisal.
Loan Amount:	Purchase Transactions: Amount limited to lesser of: (1) 85% of HUD appraised value; (2) 85% of transaction costs; (3) Sec 207 per unit limits, HUD-adjusted locally or; (4) 85% of net income (1.176 DSC). Refinance Transactions: Amount limited to lesser of: (1) 85% of HUD appraised value; (2) greater of (a) 100% of transaction costs or (b) 80% of appraised value; (3) Sec 207 per unit limits, HUD-adjusted locally; or (4) 85% of net income (1.176 DSC).
Interest Rate:	Fixed interest rate, subject to market conditions
Funding:	Qualifies for Ginnie Mae government guaranteed mortgage-backed securities, direct placement or may be used to credit enhance tax-exempt or taxable bonds.
Timing:	HUD processing involves a one-step application submission.
Recourse:	FHA is non-recourse as to the mortgagor entity, but certain parties may be personally liable for losses arising from certain inappropriate acts and malfeasance.
Fees:	FHA application fee, inspection fee, lenders fee and mortgage insurance premiums will be collected. Various third party reports are required. All of these costs may be eligible for inclusion in the mortgage note and are reimbursable to client at closing.
Other:	Annual audit of operations required to be submitted to HUD & lender. Future access granted to supplemental loans via FHA Section 241. Client pays for all third party reports which include a full appraisal, PCNA report, architectural, and environmental testing, a seismic report, if applicable, and legal and organizational costs.



This is a general outline of the program requirements. For complete information and to determine how your property can benefit from this financing opportunity, please contact your MH Finance representative at info@MHFinanceLLC.com, or call (267) 629-6700.