

# HUD PROGRAM 231

Non-Recourse, assumable construction and permanent financing for new age-restricted apartments or substantial rehabilitation of existing age-restricted apartments.

<b>QUALIFIED PROPERTIES</b>	<ul style="list-style-type: none"> <li>90% LTV of projects with 90% project based rental assistance</li> <li>87% LTV of affordable housing transactions, with rents at least 10% below market.</li> <li>85% LTV for market rate deals, or tax credit transactions without a significant rent advantage.</li> </ul>	<b>BENEFITS</b> <ul style="list-style-type: none"> <li>Housing for persons Age 62 &amp; Older and Handicapped Persons</li> <li>Non-recourse</li> <li>Assumable if approved by HUD and Lender</li> <li>Fully amortizing loan</li> </ul>
<b>MAXIMUM TERM</b>	<ul style="list-style-type: none"> <li>40 years (fully amortizing) plus construction period, or 75% of remaining useful life.</li> </ul>	
<b>DEBT SERVICE COVERAGE</b>	<ul style="list-style-type: none"> <li>1.20x for market rate transactions; 1.1765x for Affordable transactions; 1.11 x for projects with 90% or greater rental assistance.</li> </ul>	
<b>LOAN TO COST</b>	<ul style="list-style-type: none"> <li>85% of Replacement Cost (development cost plus as-is value) for market rate;</li> <li>87% of Replacement Cost for Affordable;</li> <li>90% of Replacement Cost for projects with 90% or greater rental assistance</li> </ul>	
<b>PERSONAL LIABILITY</b>	<ul style="list-style-type: none"> <li>FHA Loan is non-recourse, with standard carve-outs.</li> </ul>	
<b>ASSUMABILITY</b>	<ul style="list-style-type: none"> <li>Yes, subject to FHA approval</li> </ul>	
<b>FEES AND EXPENSES</b>	<ul style="list-style-type: none"> <li>Based on previous mortgage.</li> </ul>	
<b>FEES</b>	<ul style="list-style-type: none"> <li>0.15% application fee due at pre-application stage (market rate only);</li> <li>0.15% application fee due at firm stage. Financing and permanent placement fees of up to 3.5% are based on final loan amount, due upon commitment and payable at closing. HUD inspection fee for new construction is 0.5% of mortgage amount.</li> </ul>	
<b>MORTGAGE INSURANCE PREMIUM</b>	<ul style="list-style-type: none"> <li>0.25 - 0.70% of loan amount due at initial loan closing for each 12 months of construction term, or part thereof;</li> <li>0.25% - 0.70% of the outstanding principal balance calculated annually thereafter.</li> </ul>	
<b>ADDITIONAL REQUIREMENTS</b>	<ul style="list-style-type: none"> <li>Energy Audits and Utility Consumption data.</li> </ul>	