



New Construction and Substantial Rehabilitation

FHA 221(d)(4)

Loan Term:	Actual construction period, followed by 40 years permanent loan.
Interest Rate:	Single fixed rate, interest only for construction period and amortizing for permanent loan.
Non-Recourse:	Non-recourse.
Assumable:	Fully assumable.
Prepayment:	10% year one, then declining 1% per year; and customizable.
Commercial Space:	No commercial space greater than 25% of net rentable area or 15%-30% ³ of effective gross income of the property.
Borrower:	A single asset SPE.
Escrows:	Preconstruction. Escrows required for taxes, insurance, working capital (2%-4% of the loan), and initial operating deficit. Balances will be released to borrower after 6 consecutive months of break-even operations. Post-Construction. Escrows required for taxes, insurance, and MIP and capital needs replacement reserves (minimum \$250 per unit/annually).
Third Party Reports:	Market Study, Appraisal, Environmental Report, Future Capital Needs Assessment and an Architectural and Cost Review.
Davis Bacon Wages:	Payment of prevailing wages for contractors and subcontractors.

DSCR/LTV Requirements:

For Loan Amounts up to \$75 Million:

For Loan Amounts \$75 Million and above:

Property Type	Maximum LTV	Minimum DSCR
Subsidized ¹	90%	1.11
Affordable ²	87%	1.15
Market Rate	85%	1.176

Property Type	Maximum LTV	Maximum LTV (for a Cash Out)
Subsidized ¹	80%	1.25
Affordable ²	80%	1.25
Market Rate	75%	1.30

Mortgage Insurance Premium:

Market Rate Properties: 0.65%

Affordable Properties: 0.35%

Broadly Affordable or Green: 0.25%

1 90% or more of the units are covered by a project based Section 8 contract for at least 15 years.
2 15+ year regulatory agreement after Final Endorsement with a minimum AMI set aside.
3 30% urban renewal.