



**Apartment Properties
 Refinance or Purchase**

ELIGIBLE PROPERTIES:

Apartment properties which are at least 3 years old from the date of initial occupancy. Moderate rehabilitation is permitted. Commercial area shall not exceed 20% of the total net rentable area of the project and commercial income shall not exceed 20% of effective gross income.

MAXIMUM LOAN:

The lesser of the following criteria:

	DSCR	Loan Ratio
Rental Assistance (≥90% of units)	1.150	87.0%
Affordable	1.176	85.0%
Market Rate	1.200	83.3%

For Refinance, the lesser of the above criteria AND the higher of (a) 100% of the eligible transaction costs; or (b) 80% LTV.

For Purchase, the lesser of the above criteria AND the eligible transaction cost multiplied by the applicable LTV ratio.

INTEREST RATES:

Fixed rate determined by market at the time of rate lock.

AMORTIZATION:

Up to 35-year, fully amortizing loan.

PERSONAL RECOURSE:

Non-recourse.

ASSUMABILITY:

Assumable, subject to CWCapital approval.

SUBORDINATE FINANCING:

Allowable, subject to FHA criteria.

PREPAYMENT:

Negotiable.

REPAIRS:

Repair program may not exceed the greater of 15% of the value after repairs, or \$6,500 plus applicable high cost percentage per unit. No more than one major building system can be replaced.

WAGE REQUIREMENTS:

Davis-Bacon prevailing wage laws do not apply.

ANNUAL MORTGAGE INSURANCE PREMIUM:

1.0% of the mortgage amount is payable at closing. Thereafter, the MIP is escrowed monthly based on a rate established by FHA. The rate is fixed at loan endorsement.

ESCROWS:

Monthly escrows for property insurance, real estate taxes, reserves for replacement (as determined by FHA) and mortgage insurance premiums.

An initial deposit to replacement reserve and 100% of repair costs (both as determined by FHA) are escrowed from mortgage proceeds. An additional 20% of the repair cost is required as a completion guarantee from the borrower.

hardworking + successful + prepared + accomplished
innovative + versatile + knowledgeable + resourceful
reliable + efficient + collaborative + flexible + creative
accountable + prepared + problem solver
adaptable + responsive +

ENVIRONMENTAL ISSUES:

Special rules apply for properties which are located in Flood Hazard Zones. Lead-based paint and asbestos may require abatement in accordance with FHA requirements.

FHA APPLICATION FEE:

0.3% of the requested mortgage amount payable at the time application is made to FHA.

CWCAPITAL FEES:

Financing and Placement fees are negotiable. Additional costs vary and include legal, third party reports, and other underwriting costs.

CLOSING EXPENSES:

Standard transaction costs, including legal fees, title insurance and survey.

PRELIMINARY PACKAGE:

Include the following in your request for a loan quote:

1. Property description and location map.
2. Number of units with breakdown of proposed rents by unit type.
3. Current rent roll and year-to-date operating statement.
4. Operating history – prior 3 years, if available.
5. Current year operating budget.
6. Existing debt and purchase price.
7. Resume.