



**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.

**LOAN TYPE:** Permanent loan.

**MAXIMUM LOAN:** The lesser of the following criteria:  
 1. 85% of HUD appraised value;  
 2. 1.17 debt service coverage;  
 3. Statutory unit mortgage limits.

Refinance Transaction:  
 4. The greater of: (a) the cost to refinance; or  
 (b) 80% of value.

Purchase Transaction:  
 5. 85% of the cost of acquisition.

Note: No change in mortgage criteria for non-profit ownership.

**INTEREST RATES:** Fixed rate determined by market rates 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 HUD 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 HUD. The rate is fixed at loan endorsement.

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

<b>ESCROWS:</b>	<p>Monthly escrows for property insurance, real estate taxes, reserves for replacement (as determined by HUD) and mortgage insurance premiums.</p> <p>An initial deposit to replacement reserve and 100% of repair costs (both as determined by HUD) are escrowed from mortgage proceeds.</p>
<b>COMMERCIAL SPACE:</b>	<p>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.</p>
<b>ENVIRONMENTAL ISSUES:</b>	<p>Special rules apply for properties which are located in Flood Hazard Zones as designated by FEMA.</p> <p>Lead-based paint and asbestos must be abated in accordance with HUD requirements.</p>
<b>APPLICATION FEE:</b>	<p>A non-refundable fee of 0.3% of the requested mortgage amount is payable to HUD at the time of application, plus estimated underwriting costs for market study, appraisal, architectural/engineering report, cost analysis, environmental assessment and other loan processing costs.</p>
<b>FINANCING AND PLACEMENT FEES:</b>	<p>Negotiable.</p>
<b>CLOSING EXPENSES:</b>	<p>Standard transaction costs, including legal fees, title insurance and survey.</p>
<b>OTHER HUD REQUIREMENTS:</b>	<p>Cash escrows or letters of credit are required for the following:</p> <ol style="list-style-type: none"><li>1. 20% of repair costs as a completion guarantee.</li><li>2. 2.5% of repair costs as a latent defects guarantee, due at completion of repairs.</li><li>3. Forecasted operating deficits, (maximum of 18 months) to be released upon achievement of breakeven operations for 90 days.</li></ol>
<b>HUD PROCESSING TIME:</b>	<p>One stage for HUD Multifamily Accelerated Processing (MAP) procedures:</p> <ol style="list-style-type: none"><li>1. Firm Commitment Stage: 60 days for review.</li></ol>
<b>PRELIMINARY SUBMISSION PACKAGE:</b>	<p>Include the following in your request for a loan quote:</p> <ol style="list-style-type: none"><li>1. Property description and location map.</li><li>2. Number of units with breakdown of proposed rents by unit type.</li><li>3. Current rent roll and year-to-date operating statement.</li><li>4. Operating history – prior 3 years, if available.</li><li>5. Current year operating budget.</li><li>6. Existing debt and purchase price.</li><li>7. Sponsor resume.</li></ol>