

Program Overview:	Provides a streamlined refinance to reduce the interest rate and debt service cost and extend the loan term on existing HUD-insured properties
Borrower Type:	For-Profit or Non-Profit single asset borrower entity
Recourse/Guaranty:	Non-recourse
Loan Term/Amortization:	Loan term may be extended up to 12 beyond the maturity date of the original loan but cannot exceed the term on the original loan
Interest Rate:	Determined by market conditions and fixed for the full term of the loan
Loan Parameters:	Maximum loan amount equal to the lesser of: (1) original loan amount; or (2) principal balance on the current loan plus loan transaction costs, including repairs, pre-payment penalties, reserve deposits, and loan closing costs. Cash out is not permitted
Underwriting Parameters:	Requested loan amount must meet a minimum 1.11x DSCR for market rate and affordable properties and 1.05x DSCR for projects with 90% or more Project-Based Real Assistance with a remaining term exceeding 15 years
Repairs:	The scope of repairs must be routine and may not exceed \$1,500 per unit, excluding the cost to remedy accessibility deficiencies
Prepayment	Typically, 10-year step down (10% in year 1, declining 1% annually thereafter)
Assumption:	Loans are fully assumable, subject to HUD approval
HUD Application Fee:	0.15% of the loan amount due at Application submission
HUD MIP:	0.25% due at closing and annually, for all property types
3rd Party Reports:	Project Capital Needs Assessment (PCNA) required if extension of loan term is requested
Reserves:	Typical Tax and Insurance escrows (including MIP) and Replacement Reserves as determined by PCNA and program requirements with a minimum annual deposit of \$250/unit
Timeline:	Typically 2-4 months from engagement to closing