

REFINANCING OF PROJECTS WITH EXISTING HUD-INSURED DEBT FHA Section 223(a)(7) Mortgage Insurance Program

Eligible Projects	Refinancing for projects that currently have HUD-insured debt.
Loan Parameters	<p>The maximum loan amount is the least of:</p> <ul style="list-style-type: none"> a) the original principal amount of the existing loan. b) the unpaid principal balance of the existing loan plus funds requested for repair costs and related transaction costs. c) the amount that achieves a minimum debt service coverage test of 1.11 times (1.05 times for nonprofit Borrowers). <p>No equity take-out is permitted</p>
Term and Amortization	The term of the new mortgage may not exceed the remaining term of the existing loan. The term may be extended up to 12 years beyond the term of the existing loan if required for project financial feasibility, but the new term cannot exceed 35 years (40 years if the existing loan is a 232 or 221(d)(4) loan).
Prepayment	Negotiable. Typical structure is a two-year lockout period followed by an 8% penalty in the third year, reducing 1% with each succeeding loan year.
Interest Rate	The interest rate is fixed for the term of the loan.
Interest Rate Set	After acceptance of FHA commitment and prior to closing (<i>contact Greystone to discuss early rate lock options</i>).
Fees and Expenses	<ul style="list-style-type: none"> a) FHA Application Fee: 0.3% of the loan amount, due at application. Half of the FHA application fee is refundable after closing. b) FHA Mortgage Insurance Premium at prevailing rates as determined by HUD. Unearned mortgage insurance premium on the existing loan is refunded to Borrower at closing. c) Financing and Permanent Placement Fees: up to 2% of loan amount, paid at closing.
Third-Party Reports	Typically not required
Timing	Typically 60-75 days from engagement to closing