

Multifamily Housing New Construction/ Substantial Rehabilitation

FHA Mortgage Insurance Section 221(d)(4)



Overview

Centrant Community Capital is pleased to offer borrowers access to various HUD insurance programs through a strategic partnership with X-Caliber Capital (XCC) a privately-owned, nationally-recognized FHA and GNMA approved lender and servicer.

With a combined lending history exceeding fifty years, Centrant and XCC share a common goal of providing borrowers with an exceptional, responsive and personalized loan application, approval and closing experience.

Application and Review Process

Centrant Community Capital will coordinate with the borrower and its sponsors to collect the necessary documentation identified and required by XCC for underwriting in accordance with FHA guidelines.

With assistance from Centrant staff, XCC will underwrite and prepare the FHA mortgage insurance application for the proposed Project Loan as outlined in its Engagement Letter. Approved loans will be closed and serviced by XCC.

Eligible Properties	Market-rate, affordable and rent-assisted multifamily housing properties. To qualify for substantial rehabilitation the cost of repairs and/or alterations must exceed \$15,000 per unit adjusted for the HUD High Cost Factor or replaces two or more building systems		
Interest Rate	Fixed rate for both construction and permanent terms; determined by market conditions.		
Borrower	For-profit or not-for-profit single asset entity		
Personal Liability	Non-recourse, subject to standard carve-outs		
Maximum Loan	<u>Property Type</u>	<u>Max Loan to Value</u>	<u>Min Debt Service</u>
	Subsidized ¹	90%	1.11x
	Affordable ²	87%	1.15x
	Market Rate	85%	1.18x
	¹ At least 90% of units supported by a project-based rental assistance contract		
	² Regulatory Agreement that at least meets the minimum Low-Income Housing Tax Credit restrictions of 40% of units at 60% AMI or 20% of units at 50% AMI in effect for at least 15 years.		
Term and Amortization	Maximum term of 40 years plus construction period.		
Commercial Space	Limited to 25% of net rental area and 15% of effective gross income.		
Prepayment and Assumption	Flexible; best execution typically has a combination of lockout and prepayment penalty for ten years; fully assumable subject to HUD approval.		
Mortgage Insurance Premium	0.25% to 0.65% due at closing for each 12 month period of construction; 0.25% to 0.65% annually thereafter.		
Fees	<ul style="list-style-type: none"> <i>HUD Application:</i> 0.30% of requested loan amount or associated costs. <i>HUD Inspection:</i> 0.50% of loan amount or total for all improvements. 		
Reserve Accounts	<ul style="list-style-type: none"> <i>Initial Operating Deficit Reserve:</i> 4 to 12 months of amortizing debt service depending upon deal. <i>Replacement Reserves:</i> Minimum \$250 per unit per year, or as determined by a Project Capital Needs Assessment (PCNA). <i>Working Capital Deposit:</i> 2-4% of mortgage amount. 		
Labor Standards	Davis-Bacon prevailing wage rate requirements apply.		