

# Acquisition and Refinancing of Multifamily Properties

FHA Mortgage Insurance Section 223(f)



## 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.

<b>Eligible Properties</b>	Market-rate, affordable and rent-assisted multifamily housing that are at least three years old and have physical occupancy of at least 85%. Independent living for seniors may qualify.		
<b>Interest Rate</b>	Fixed rate; determined by market conditions.		
<b>Borrower</b>	For-profit or not-for-profit single asset entity		
<b>Personal Liability</b>	Non-recourse, subject to standard carve-outs		
<b>Maximum Loan</b>	<u>Property Type</u>	<u>Max Loan to Value</u>	<u>Min Debt Service</u>
	Subsidized <sup>1</sup>	90%	1.11x
	Affordable <sup>2</sup>	87%	1.15x
	Market Rate	85%	1.18x
	<sup>1</sup> At least 90% of units supported by a project-based rental assistance contract		
	<sup>2</sup> 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.		
<b>Term and Amortization</b>	Maximum term of 35 years but no less than 10 years; fully amortizing		
<b>Commercial Space</b>	Limited to 25% of net rental area and 20% of effective gross income.		
<b>Prepayment and Assumption</b>	Flexible; best execution typically has a combination of lockout and prepayment penalty for ten years; loan is fully assumable subject to HUD approval.		
<b>Replacement Reserves</b>	Minimum \$250 per unit per year, or as identified by a Project Capital Needs Assessment (PCNA). Initial deposit will be required at closing.		
<b>Mortgage Insurance Premium</b>	0.25% to 1.00% due at closing and 0.25% to 0.60% annually thereafter.		
<b>HUD Application Fee</b>	0.30% of requested loan amount.		
<b>HUD Inspection Fee</b>	Dependent upon repairs/improvements cost; minimum of \$1,000.		
<b>Third Party Reports</b>	Appraisal, Phase I and PCNA are required; market study may be required.		
<b>Timeline</b>	Deal dependent; typically 4-5 months after submission of firm application.		