



**Federal Housing Administration
Section 221(d)(4) New Construction / Sub-Rehab
M.A.P. – Multifamily Accelerated Processing
T.A.P. – Traditional Accelerated Processing**

<u>Program Description</u>	Combination construction and permanent loan program for new construction and substantial rehabilitation of affordable and market rate apartment communities.
Loan Amounts:	No Maximum/Minimum
Loan Terms/ Amortization:	Construction Loan – Up to 2 years Permanent Loan – 40 years (fully amortizing)
Prepayment:	Negotiable, but typically locked for 2 years, then 8%, 7%, 6%, etc. No penalty after 10 years.
Recourse:	Non-recourse, for both construction and permanent loans
Borrower:	All properties must be owned by a single-asset entity
Debt Service Coverage:	1.12
Loan-to-Development Cost Ratio:	90%
Subordinate Financing:	With FHA's approval; soft subordinate financing paid out of available net project cash flow
Assumability:	Assumable with permission of Lender and HUD.
Income & Expenses:	Based on current market comparables (no trending)
Reserves:	Taxes, insurance, replacement reserve and mortgage insurance premium escrows are required
Financing Methods:	Available for both conventional financing and as credit enhancement for bond transactions
Processing:	M.A.P. – Lender performs all underwriting and prepares/reviews applications for program requirements; FHA reviews for compliance and accuracy T.A.P. – Lender underwrites, prepares and submits application; FHA processes application through permanent loan closing, including preparation of all third party reports
FHA/Application Fee:	\$3/\$1,000 of mortgage amount
Lender Origination Fees:	Negotiable based on loan size
Interest Rate:	Interest Rates are based on market and are set upon acceptance of Commitment and fixed for entire construction and permanent terms.
Conversion to Permanent Loan:	Only requirements are completion and cost certification. Not subject to re-underwriting