



Federal Housing Administration Section 223(a)(7) – Refinancing T.A.P. – Traditional Accelerated Processing

<u>Program Description</u>	Fixed rate permanent refinancing for existing apartment communities with FHA insured mortgages. This is a streamline refinance program that does not allow equity take-out. Streamline benefits include no property inspection, no appraisal, no environmental, modified mortgage credit analysis, reduced application fee, and no FHA inspection fee.
Loan Amount:	No Maximum/Minimum
Loan Term/Amortization:	The remaining term of the existing HUD insured mortgage. An additional 12 years can be added if warranted and approved by HUD.
Prepayment:	Negotiable, but typically locked for 2 years, then 8%, 7%, 6%, etc. No penalty after 10 years.
Recourse:	Non-recourse
Borrower:	All properties must be owned by a single-asset entity
Determination of Maximum Loan Amount:	The lower of the following: (i) original insured mortgage amount; (ii) 1.12 debt service coverage; or (iii) The amount of the outstanding indebtedness plus financing, closing expenses, and any repairs
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:	All tax, insurance, replacement reserve, and mortgage insurance premium escrows are required and must be transferred to the new loan. A repair escrow, if repairs are to be made.
Application Fee:	\$3/\$1,000 of the mortgage amount applied for. 50% is refunded after closing.
Lender Origination Fees:	Negotiable, based on loan size.
Interest Rate:	Interest Rates are based on market and are set upon acceptance of Commitment.