

BEDFORD LENDING

Multifamily Construction Loan Comparison		
	HUD	USDA
Eligible ▶	New Construction or Substantial Rehab	New Construction or Substantial Rehab
Min Loan Amount ▶	\$1,000,000	\$500,000
Borrower ▶	SPE	SPE
Interest Rate ▶	Similar	Similar
Loan to Value ▶	90%	90%
Fixed Rate Term ▶	40 Years	40 Years
Amortization ▶	40 Years	40 Years
Debt Coverage Ratio ▶	1.11	1.15
Recourse ▶	Non Recourse	Non Recourse
Assumability ▶	Yes	Yes
Prepayment ▶	Generally 3- 5 Year L/O then declining prepayment	Generally 3- 5 Year L/O then declining prepayment
Carve Outs ▶	Management, Vacancy and reserves	Management, Vacancy and reserves
Commercial Income ▶	Maximum 10% of gross floor area and maximum 15% of potential gross income	Maximum 10% of gross floor area and maximum 15% of potential gross income
Market Housing Requirement ▶	Market, Section 8, HAP Contracts or combination of tenants.	Based on rent restrictions.
Senior Housing Requirement ▶	62 and over	55 and over
Development Fee ▶	Not Allowed	Allowed
Builders Profit Credit ▶	10% Allowed	Not Allowed
Rents ▶	No Restrictions	Tenant income cannot exceed 115% of area median income (AMI) Average rents, including tenant-paid utilities, cannot exceed 30% of 100% of AMI. No single unit can exceed 30% of 115% of AMI.
Market Demographics ▶	No Limit	20,000 or fewer
Wage Rate ▶	Davis Bacon Wages	No Requirement
Assumability ▶	Yes	Yes
Other Sources ▶	Can combine financing with any tax credits and grants	Can combine financing with any tax credits and grants