

223 (a) (7) for HUD Insured Apartment and Healthcare Loans

223(a)(7) Bedford provides FHA insured long term, fixed-rate financing for existing apartment and healthcare HUD Insured Loans.

Loan Term / Amortization

Remaining term of the existing loan plus up to 12 years (subject to HUD approval). Term cannot exceed the original term of the existing loan.

Amortization

Up to 35 Years (Fully Amortizing)

Maximum Loan Amount

- 1.11 For Profit Owners (1.05 Non-Profit Owners)
- Original principal balance of loan
- 100% of refinance cost
- No cash-out allowed

Interest Rate

Low, fixed-rate set via Ginnie Mae MBS

Eligible Property

Multifamily projects or healthcare facilities currently insured under Sections 220, 221(d), 223(f), 232 and 241

Eligible Borrower

Single Asset Entity (for profit or non-profit)

Occupancy Requirement

Underwritten up to 95% occupancy

Cash Out

Not allowed

Loan Amount

No cash out. New loan amount is the lowest of:
a. Original principal balance of existing loan
b. 100% of the costs to refinance (current principal balance plus transaction costs, repairs and deposits to replacement reserves)
c. Minimum debt service coverage of 1.11 (1.05 for non-profit owners)

Tax and Insurance Escrows

Monthly deposits required

Recourse

Non-recourse

Required Reports

No appraisal, market study or environmental reports, require only a PCNA report.

Prepayment

Negotiable. Generally three year lockout with declining percentage of principal thereafter up to 10 years (7-6-5-4-3-2-1).

Assumable

Subject to Bedford and HUD approval and payment of assumption fee

Good Faith Deposit

Negotiable

Expense Escrow

Negotiable

Origination Fee

Negotiable

HUD Application Fee

0.3% of the new loan amount paid to HUD with Firm Commitment Application. HUD can refund 50% of Application Fee post-closing.

HUD Inspection Fee

Not applicable

Legal / Closing Fee

Borrower pays Bedford's Counsel Fee and miscellaneous closing costs

Repairs

Repairs approved by HUD can be funded by mortgage proceeds with 10% Completion Assurance (cash or letter of credit) required from owner.

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Not applicable to this program

HUD Mortgage Insurance Premium (MIP)

HUD sets the cost of the FHA Insurance. The initial MIP is due to HUD at closing, and the MIP is escrowed monthly thereafter. Historically .45% for apartments and .50% for healthcare.

Processing Time

Bedford will submit the Firm Commitment Application to HUD 30 days from receipt of signed Engagement Letter.