BedfordLending

HUD 223(f) Apartment Refinance & Acquisition Processing Timeline

Steps	Days	Total	Fees Due - They are all Mortgageable	Comments/Critical Requirements
Pre-Qualification - Bedford Lending to analyze the economics of the transaction under a HUD 223(f) execution; at a minimum need: - Past two to three years of historical property financials, or for recently constructed assets, stabilized projections and an interim (year to date) statement. - Description of the development - Past three months of rent rolls - For refinances, estimated payoff amount. For acquisitions, acquisition price. - Any existing third-party reports available (i.e. old appraisal) - List of proposed repairs and anticipated dollar amount, if any. - List of most recently completed repairs and amount, if any.	0	0		Once received, Bedford Lending will prepare a preliminary financial analysis and outline key assumptions and estimated equity needed. If the economics make sense, Bedford Lending (as direct lender) will engage client.
Engagement Letter - Client to formalize lender agreement to commence with underwriting.	0	0	None.	Bedford Lending only receives a finance fee collected from the loan at time of closing.
Concept Meeting (Optional) - Lender to prepare brief narrative detailing the proposed project and will conduct meeting with HUD staff and client via ~45 minute conference call.	21	21	None.	This step *may* be skipped, however it is highly recommended for requests with limited operating history, significant repairs, waiver requests, or for borrowers who have no prior HUD experience. This is like an "early loan committee" before money is spent on third parties.
Firm Application Process - Bedford Lending to commission third party reports including: - appraisal - phase 1 environmental - capital needs assessment (property condition report) - radon - lead, asbestos, and other specialty reports may be required subject to property specifics Borrower to provide: - ALTA survey & proforma title (Bedford Lending will send requirements) It generally takes ~4 weeks for the third-party reports to be delivered. During this period, Bedford Lending to gather other required information from borrower to complete Firm Application loan package.	55	76	$20,000 - $35,000 for third-party reports. Dependent on market costs assocated with third-party reports and property size. These costs are mortgageable and are credited as a "pre-paid" source of funds at closing.	Bedford Lending will secure quotes from third party providers and send for client review before engagement. There is no formal list of HUD approved vendors, and we are happy to work with local vendors or those with existing relationships with borrower as long as their reports can be completed to HUD standards. Bedford Lending receives no portion of third party fees. Preparation of Firm Application will occur at same time third-party reports being completed. Timely submission of exhibits from client will be critical.
Firm Application Submission - HUD will either issue a "Firm Commitment" (approval to close) or denial.	55	131	Client needs to remit 0.30% of the mortgage amount to HUD (reduced in Opportunity Zone) for their review of the Firm Application. This cost is mortgageable and is credited as a "pre-paid" source of funds at closing.	Generally HUD processes within 60 days.
Rate Lock / Coordinate Closing	45	176		After HUD "Firm Commitment" received, rate lock can occur at borrower's discretion. After rate lock, loan generally closes in 45-60 days.