

FHA Section 223(f) Tax Credit Pilot Program

AFFORDABLE HOUSING ACQUISITION, REFINANCE, & REHABILITATION

Walker & Dunlop provides FHA-insured, long-term, fixed-rate financing for acquisition, refinancing, or rehabilitation of multifamily projects. Underwriting and approval is expedited through the Multifamily Accelerated Processing (MAP) Program.

ELIGIBLE PROPERTIES:	Existing multifamily projects with 4% or 9% low income housing tax credits with any one of the following features: <ul style="list-style-type: none">a) Project-based Section 8 contract for 90% of the unitsb) Projects being resyndicated
BORROWER:	Tax credit limit partnership or limited liability company
LOAN TERM:	Up to 35 Years (Fully Amortizing)
MINIMUM DSC:	<ul style="list-style-type: none">a) 1.15b) 1.11 (90% projected-based rental assistance)
MAXIMUM LOAN-TO-VALUE AMOUNT:	<ul style="list-style-type: none">c) 87%d) 90% (90% projected-based rental assistance)
RECOURSE:	Non-recourse except for standard industry exceptions
INTEREST RATE:	Fixed for term of loan, determined by market conditions at time of rate lock
PROGRAM BENEFITS:	<ul style="list-style-type: none">a) Vacancy as low as 3%b) Tax credit equity bridge loans permittedc) Developer fee can be eligible cost
PREPAYEMNT:	A combination of a lock-out period followed by an annual declining schedule that is based off a percentage of the outstanding loan balance
ASSUMABILITY:	Fully assumable subject to HUD approval
REQUIRED DUE DILIGENCE REPORTS:	Appraisal, ALTA Survey, Phase I and Physical Needs Assessment (PCNA) Limited AEC Report is required if there are structural changes or if the scope of repairs is considerable (exceeding approximately \$15,000 per unit)
REHABILITATION LIMITS:	Repairs cannot exceed \$53,860 per unit to include contingency, General Requirements, Builder's Profit and Overhead
DAVIS-BACON ACT:	No Davis-Bacon Act labor standards and wage requirements are required
TIMING:	Pilot applications are prioritized. HUD approval is estimated to occur 45-60 days following application submission.
HUD APPLICATION FEE:	0.30% of the mortgage amount (*Opportunity Zone deals are eligible for lower 0.20% or 0.10% fees)
HUD INSPECTION FEE:	The greater of \$30 per unit or 1% of the cost of immediate repairs
HUD MORTGAGE INSURANCE PREMIUM (MIP):	0.25% at closing 0.25% annually