

FHA Mortgage Insurance

Apartments: Acquisition or Refinance

Section 223(f)

DESCRIPTION

Deutsche Bank Berkshire Mortgage provides competitive financing for the acquisition or refinance of existing multifamily or seniors (no services) properties that are a minimum of 3 years old.

BENEFITS / FEATURES

- One-step processing under HUD's Multifamily Accelerated Processing (MAP).
- Non-critical repairs and capital improvements may be included in the loan.
- Mortgagor has up to 12 months from loan closing to complete repairs and improvements.
- Davis-Bacon wages not required on repair work.
- May also serve as credit enhancement for tax-exempt bond deals.

LOAN STRUCTURE

LOAN AMOUNT	<u>Acquisition</u> - Lesser of: (i) 85% LTV; (ii) 85% of acquisition plus transaction costs; or (iii) Statutory unit limitations.
	<u>Refinance</u> - Lesser of: (i) 85%LTV; 80% LTV if Cash Out; (ii) 100% of current debt plus transaction costs, if LTV exceeds 80%; or (iii) Statutory unit limitations.
DEBT SERVICE COVERAGE.....	1.1765x.
LOAN TERM.....	35 years (not to exceed 75% of estimated remaining economic life).
AMORTIZATION	Fully amortizing, 35 years for most properties.
RECOURSE	Loans are non-recourse.
RATES.....	Ginnie Mae MBS and whole loan rates, priced daily.
	Rate may be locked after Borrower's acceptance of HUD's Firm Commitment. Interest rate buy-downs available.

OPTIONAL FEATURES

PREPAYMENT	Any prepayment lock out or penalty periods negotiable with Investor, subject to program limitations noted below.
ASSUMABILITY	Fully assumable with HUD's and Lender's consent.
SUBORDINATE FINANCING.....	Soft second allowed up to 7.5% of value; maybe higher for nonprofit Borrower, depending on debt source.

REQUIREMENTS

- Initial deposit to the Replacement Reserve can be included in the mortgage; monthly deposits required.
- Borrower must be a single asset entity. Properties must remain rental for 5 years post closing and prepayment is prohibited for 5 years from the date of loan closing.
- Non-critical repairs can be included in the loan.