

---

<b>QUALIFIED PROPERTIES</b>	New construction or substantial rehabilitation of multifamily properties
<b>LOAN AMOUNT</b>	The maximum supportable loan is limited by the lesser of: a) 83.3% of eligible cost, which includes the land value or as-is value of property b) An amount that meets the Debt Service Coverage (DSC) threshold of 1.20x c) HUD statutory limits
<b>TERM AND AMORTIZATION</b>	A maximum of the actual construction period plus 40 years, fully amortizing with interest only payable during construction
<b>PREPAYMENT AND ASSUMPTION</b>	Prepayment terms are negotiable and are not subject to yield maintenance or defeasance; loan is assumable, subject to FHA approval
<b>INTEREST STRUCTURE</b>	Fixed rate, determined by market conditions at the time of rate lock; interest is set at construction loan closing and in place for entire term
<b>PERSONAL LIABILITY</b>	Non-recourse during construction and permanent phases with standard carve outs
<b>CONSTRUCTION</b>	Davis-Bacon prevailing wage required
<b>COMMERCIAL SPACE</b>	Limited to 10% of net rentable area and 15% of effective gross income
<b>SECONDARY FINANCING</b>	Permitted under certain circumstances
<b>ESCROWS AND RESERVES</b>	<ul style="list-style-type: none"><li>✓ Taxes and insurance are escrowed monthly</li><li>✓ Replacement reserve is required and the monthly deposit amount is determined in accordance with the Physical Condition and Needs Assessment and HUD guidelines</li><li>✓ Working Capital Reserve of up to 4.0% of loan amount</li><li>✓ Initial Operating Deficit Reserve of up to 3.0% of loan amount or 4 months debt service</li></ul>
<b>HUD FEES</b>	<ul style="list-style-type: none"><li>✓ HUD Application Fee of 0.30%, half is due at the time of feasibility pre-application submission to HUD and the remainder is due at the time of firm application</li><li>✓ HUD Inspection Fee of 0.50% is due at closing</li><li>✓ HUD Mortgage Insurance Premium deposit is due at closing</li></ul>
<b>LENDER FEES</b>	Lender fees earned at borrower's acceptance of firm commitment and payable at closing
<b>THIRD PARTY REPORTS</b>	Appraisal, Market Study, Phase I Environmental Report, and Engineering Review are required
<b>TIMELINE</b>	Typically, closing takes place 90-120 days after firm submission to HUD; total time frame is subject to borrower's readiness to submit due diligence

---