Johnson Capital
MultiFamily, LLC

An Oak Real Estate Partners Company

HUD 223(f) MULTIFAMILY LOAN

Fixed-Rate Financing for Multifamily Acquisition and Refinance

PROGRAM SNAPSHOT

Long-term, fully amortizing HUD-insured loan for the acquisition or refinance of stabilized multifamily properties. Offers high leverage, fixed-rate terms, and non-recourse structure, ideal for borrowers seeking liquidity, rate stability, or improved asset performance.

KEY FEATURES

- Up to 90% LTV for affordable/broadly affordable housing
- Up to 87% LTV for market-rate transactions
- Minimum 1.11 DSCR for affordable | 1.15 DSCR for market-rate
- Fixed-rate, fully amortizing up to 35 years
- Non-recourse and fully assumable, subject to HUD approval
- Eligible for cash-out refi and tax-exempt bond credit enhancement

Explore Our Full Suite of Capital Solutions

Long-Term, HUD-Insured FHA Loans for

- MULTIFAMILY & AFFORDABLE HOUSING
- SENIOR HOUSING & HEALTHCARE

Short-Term, Flexible Bridge Loan Programs

- CORE
- CORE-PLUS
- OPPORTUNISTIC
- PARTICIPATING

HUD 223 (f) Multifamily Loan

PURPOSE	Refinancing of existing multifamily (minimum 5 units) structures that have at least one full month of DSCR being 1.15x for a market rate property, 1.11x for an affordable property or for a broadly affordable property. The property must have this consecutive coverage for at least 3 months prior to loan endorsement.
COMMERCIAL SPACE	Eligible for up to 25% of total net rentable area and 20% of EGI.
BORROWER	Single-asset and single-purpose entity, either for-profit or non-profit
MAXIMUM MORTGAGE LIMITS	The maximum loan amount will be the *lesser* of: a. Applicable percentage of LTV b. Applicable debt service coverage ratio c. 87% of transaction costs, if purchase transaction d. HUD statutory limits e. Greater of 100% of transaction costs or 80% LTV if refinance cash out transaction f. For market-rate properties, applicable factors: 87% LTV, 1.15x DSCR g. For affordable and broadly affordable properties: 90% LTV, 1.11x DSCR. h. For Manufactured Home Community Program: 90% LTV Maximum, 1.11x DSCR, No Cash Out i. 1.111x DSCR (1.053x for non-profit) *Property must have average physical occupancy of 85% for 6 months prior to submission of application to HUD * 50% of cash out funded at closing; remainder upon completion of non-critical repairs * Other parameters apply to mortgage over $120 million * Other than the above constraints, there are no minimum or maximum loan sizes
AMORTIZATION & TERM	Maximum term of the *lesser* of 35 years fully amortizing or 75% of remaining economic life
INTEREST RATE	Fixed rate determined by market conditions at the time of rate lock
MORTGAGE INSURANCE PREMIUM	0.25% at Closing; 0.25% Annually – *Subject to change by HUD*
RECOURSE	Non-recourse
ASSUMABILITY	Fully assumable, subject to HUD approval
PREPAYMENT	Negotiable. Best rates typically have 1-2 year lockout with declining prepayment penalty for remainder of first 10 years.
THIRD-PARTY REPORTS	Typically Appraisal, PCNA, and Phase I ESA. Other reports as needed.
ESCROWS	Escrows for taxes, insurance and mortgage insurance premium are required
REPLACEMENT RESERVES	Initial and monthly deposits required based on long-term physical needs
REPAIR ESCROW	Cash or a letter of credit for up to 20% of the estimated cost of repairs
HUD APPLICATION FEE	$3 per $1,000 of requested mortgage
HUD INSPECTION FEE	Greater of 1% of cost of repairs or $30 per unit ($1,500 max if repairs are less than $100k)
RATE-LOCK DEPOSIT	Typically 0.5% of mortgage amount, refunded at closing