

Affordable Housing

Section 221(d)(4), 223(f) and 207(m)

U.S. Department of Housing and Urban Development
Northwest/Alaska Multifamily Hub



Are you interested in keeping rents affordable by stretching your cash flow as far as possible? FHA mortgage insurance can be the key. FHA's generous loan terms allows you to better leverage your equity and reduce the gap financing often needed. Also, FHA-insured loans can be combine with tax credits and tax-exempt bond financing

Program Features

- FHA's credit enhancement provides a "AAA" Bond Rating on bond issuances
- Longer Amortization
 40 year amortization for new construction and sub-rehab, and up to **35 years** for purchases and refinance *and* no balloon payments
- High Loan-to-Value Ratios -
 - **90%** loan-to-value for new construction & sub-rehabilitation
 - **85%** of the value on acquisitions for purchase & refinances
- Low Debt Service Coverage Ratios
 - 90% of project cash flow for debt service (DSCR 1.11) for new construction and sub-rehab
 - 85% for refinance/purchases (DSCR 1.1765)
- Annual Mortgage Insurance Premium (MIP):
 - New Construction & Sub-Rehab = 0.50%
 - Acquisition/refinance. = 1.0% for the initial year & 0.5% subsequent years
- Fixed interest rate
- Construction and permanent combined financing
- Accelerated loan processing
- Non-Recourse Loans - No risk to personal assets of borrowers
- Fully assumable with FHA approval

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For More Information:
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