

BACKGROUND

HUD previously stated that 223(f) projects were ineligible for refinancing if the property under consideration was constructed or substantially rehabilitated within three years of application. The elimination of this rule means that owners can now finance their properties any time after final certificate of occupancy, including during the final stages of development or rehabilitation, providing new opportunities and potential

ELIGIBLE FOR FIRM APPLICATION SUBMISSION:	After one month of the applicable programmatic Debt Service Coverage.
CALCULATION OF PROGRAMMATIC DSC:	Actual Net Revenue (i.e. net of concessions) and normalized expenses.
CLOSING REQUIREMENTS:	3 months of the applicable programmatic DSC
CASH OUT AND HOLDBACK:	If property meets programmatic minimum DSCR at closing for each of the preceding 6 months, no hold back is required; otherwise, 50% of the available cash will be held by the lender until the 6 months have been met. The 3 month period prior to closing will be counted toward the 6 month requirement.
PROGRAMMATIC LTV MAX:	85% Market 87% Affordable 90% Rental Assistance
PROGRAMMATIC DSCR MIN:	1.17X Market 1.15X Affordable 1.11x Rental Assistance