



# FHA Take Out for Multifamily



River House Apartments, Norfolk, VA



Camellia Commons, Enterprise, AL



Two Light Tower, Kansas City, MO

## Conventional Construction Loan?

Refinance with a non-recourse permanent loan using the FHA-insured Section 223(f) program:

- A low fixed interest rate
- High leverage
- Family or Seniors age 62+ HOH
- Construction complete with final certificate of occupancy
- Just 3 months required debt service coverage to close
- 1.176 DSC
- 85% LTV on costs
- 80% LTV with cash-out
- 35-year amortization
- 35-year term
- Lower your interest rate in the future with a low cost Note Modification.

## Plan to get the Best Loan

- FHA can refinance debt at 85% LTV but can refinance equity at only 80% LTV. Structure equity or preferred equity as debt (fixed term and interest rate; no upside to the lender).
- Build Green with an FHA-approved green certification to get the lowest Mortgage Insurance Premium (MIP) of .25% - *see details below*.
- Get an FHA-compliant environmental review before you start construction.
- Build Accessible: comply with Fair Housing and ADA requirements. Get plans reviewed before construction starts.

## Green MIP

Building green earns you the lowest possible MIP rate available. Plan ahead to obtain the necessary green certification during design and construction. Prepare a Statement of Energy Design Intent (SEDI) for FHA that shows a potential Energy Star score of 75+. Your project will need to achieve a score of at least 75 every year and installing master utility meters will help make the data collection easier.

**Contact AGM for details and the list of approved green certifications.**

To see how AGM can help get your deal done, contact Steve Rudow at 443.573.2061 or [srudow@agmfinancial.com](mailto:srudow@agmfinancial.com).



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