



DWIGHT CAPITAL

FHA Section 241(a)

Repairs, Additions, and Improvements to Multifamily Properties

Eligible Properties

- Multifamily Apartments
- Hospitals
- Nursing Homes
- Assisted Living Properties

Purpose

To finance repairs, additions, and improvements to facilities with an existing FHA insured first mortgage or HUD-held mortgage

Maximum Loan Amounts

Up to the lesser of 90% (for-profits) or 95% (nonprofits) of the cost or appraised value for new construction projects; or an amount which, when added to the outstanding balance of the existing insured mortgage, does not exceed the amount insurable pursuant to the applicable HUD mortgage program

Minimum DSC

1.11x

Interest Rate

Fixed rate subject to market conditions at rate lock

Maximum Term

40 years or 75% of the remaining economic life, not to exceed the remaining term of the first mortgage without HUD approval

Amortization

Amortized over remaining term of first mortgage

Guaranty

Non-recourse loan

Eligibility

The facility must currently hold an FHA insured first mortgage or HUD-held mortgage

Prepayment

Commonly either:

- A 5-year lockout followed by a prepayment penalty of 5% in the sixth year and declining 1% per year, or
- A similar combination of lockout and penalties which cover a 10-year period post-closing

Escrows

Based on previous mortgage

Annual & Upfront Fees

Calculated at the same percentage as incurred with insurance of first mortgage loan

Timing

Application preparation and review for the Pre-application and Firm Application stages can be completed in as short as eight weeks each, with closing occurring 3-4 weeks thereafter (20 weeks total). Actual processing times will vary depending on the complexity of the project and the timing required for architectural design and estimating construction costs

This term sheet sets out general guidelines and is designed as an aid to prospective borrowers and other clients. This term sheet does not represent or imply a contract or an offer to lend funds. An offer to lend funds may only be made by a signed written commitment letter to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of Dwight Capital LLC. Credit and collateral are subject to approval. Terms and conditions apply. This is not a commitment to lend. As a capital provider, Dwight Capital LLC is not a registered investment adviser and does not otherwise provide investment advice.