

Arbor provides FHA-insured, long-term, fixed-rate financing for refinance, or moderate renovation of existing Section 202 projects nationwide. Arbor uses the single-stage Multifamily Accelerated Processing (MAP) program to expedite underwriting and approval.

Loan Term and Amortization	Up to 35 years (fully amortizing)
Minimum DSCR	1.11x
Maximum LTV/ Purchase Price	Up to 90%
Fixed-Rate	Yes
Eligible Properties	Existing Section 202 projects
Eligible Borrower	Single asset entity (for-profit or non-profit)
Developer Fee	Up to 15% of the acceptable development cost
Tax and Insurance Escrows	Monthly deposits required
Recourse	Nonrecourse, subject to HUD Regulatory Agreement
Commercial Space	Maximum 25% of net rentable area and maximum 20% of effective gross income; 10% vacancy applied
Required Reports	Appraisal, Project Capital Needs Assessment (PCNA), and Phase I Environmental
Prepayment	Negotiable; generally, two-year lockout with a 10% to 1% declining prepayment penalty; other prepayment options available
Assumable	Subject to Arbor and HUD approval and payment of assumption fee
Good Faith Deposit	Based on project type and loan size
Expense Escrow	Yes, sufficient to cover Arbor’s expenses and third-party report costs
Origination Fee	Negotiable
HUD Application Fee	Non-refundable fee of \$3 per \$1,000 (0.3%) of the mortgage amount due to HUD upon application submission
HUD Inspection Fee	\$30 per unit when repairs are less than \$3,000 per unit; if greater than \$3,000 per unit, 1% of the total cost of the repairs
Legal/Closing Fee	Borrower pays Arbor’s counsel fee and miscellaneous closing costs
Rehabilitation Qualifications	Repairs cannot exceed \$19,293 per unit (adjusted for local high-cost factor and number of project units); inclusive of soft costs.
Davis-Bacon	Not applicable to this program
Prepayment of Section 202 Loan	HUD’s Housing Notice 2013-17 provides guidance for the prepayment approval process

HUD Mortgage Insurance Premium (MIP)

- HUD sets the cost of the FHA insurance; initial MIP is 0.25% of the loan amount due to HUD at closing. Annual MIP rate is 0.25%.