



Equal Housing Opportunity

TAKE A LOOK AT WHAT MAP CAN DO FOR YOU

Firenze 5880 Boulder Falls, Henderson, NV 89011

Developed by Ovalton Development



Cost Effective

Reliable

Efficient

FINANCE YOUR PROPERTIES WITH MAP

Multifamily Accelerated Processing

WHAT IS MAP?

Multifamily Accelerated Processing (MAP) is a process employed by HUD's Multifamily Housing Division that allows approved lenders to prepare, process and submit loan applications for Federal Housing Administration (FHA) multifamily mortgage insurance.

WHY GO WITH MAP?

MAP has standardized HUD's underwriting process by applying national standards which provide greater lender responsibility and control. The result is a process that creates more timely and consistent results.



HOW CAN MAP HELP YOU?

MAP provides insured mortgages for new construction, substantial rehabilitation, purchase or refinance.

WHAT IS HUD FHA MULTIFAMILY MORTGAGE INSURANCE?

HUD FHA mortgage insurance protects the lender if a borrower defaults on the insured loan. The Federal Guarantee results in a AAA rating on financing, which is eligible for securitization by Ginnie Mae and provides credit enhancement for tax exempt bonds and Low Income Housing Tax Credits (LIHTC's).

Place Stamp Here

From: _____

PRIMARY MAP PROGRAMS

Section 220

New construction and substantial rehabilitation for rental housing

May only be done in eligible areas:

1. Existing slum clearance and urban redevelopment projects covered by a Federal aid contract before the effective date of the Housing Act of 1954.

2. Approved urban renewal areas under Title I of the Housing Act of 1949.

3. Disaster urban renewal projects assisted under Section III of the Housing Act of 1949.

4. An area of concentrated code enforcement being carried out under Section 117 of the Housing Act of 1949.

5. A concentrated development area, approved by the HUD Field Office, in which concentrated housing, physical development and public service activities are being carried out in a coordinated manner, pursuant to a locally developed strategy area (e.g., Neighborhood Revitalization Strategy Areas, Renewal Communities, Urban Empowerment Zones, and Enterprise Communities, also referred to as RC/EZ/EC's) for neighborhood improvement, conservation or preservation. The locally developed strategy shall:
 - a. Provide for a combination of physical improvements, necessary public facilities and services, housing programs, private investment and citizen self-help activities appropriate to the needs of the area;
 - b. Coordinate public and private development efforts;
 - c. Provide sufficient resources to produce substantial long term improvements in the area within a reasonable amount of time, taking into account the severity of the area's problems.



California State Office San Francisco Multifamily HUB

Whether you're thinking new construction, considering refinancing or purchase of an existing property, HUD and our approved MAP lenders can help.

For more information on MAP contact a MAP pre-approved lender

The list of pre-approved MAP lenders is at: hud.gov/offices/hsg/mfh/map/prvlend.cfm

A variety of information about MAP is available at HUD's Website

Visit the frequently asked questions page at: [Hud.gov/offices.hsg/mfh/map/mapfaq.cfm](http://hud.gov/offices/hsg/mfh/map/mapfaq.cfm)

Take a look at MAP data, statistics and program guidelines at:

hud.gov/offices/hsg/mfh/map/maphome.cfm

For information on other HUD programs and services visit HUD's main web page at: <http://www.hud.gov>

The San Francisco Multifamily HUB has overall responsibility for processing multifamily mortgage insurance applications for Arizona, Hawaii, Nevada and Northern California

- Commercial space is limited to 20% of gross project area and 30% of gross income.
 - Apartments specifically designed for the elderly and/or limited to elderly occupancy are *not* permitted under Section 220.
- Eligible mortgagors:*
- Private, profit-motivated entities, public bodies and others who meet HUD requirements for mortgagors.
- New construction and substantial rehabilitation for rental housing*

Section 221(d) & 221(d)(4)

Details:

- Fixed interest, market rate
- Non-recourse
- Assumable
- 5 or more units
- No cap on number of units or loan amount
- Statutory (per unit) limits vary by location
- Construction financing is also insurable (at lender's option)
- Davis-Bacon prevailing wage rates apply to all 221(d)(3) and 221(d)(4) projects
- Under 221(d)(4), construction soft costs will include BSPRA (Builder/Sponsor Profit and Risk Allowance where there is an identity of interest between builder and sponsor); otherwise, construction costs can include SPRA (Sponsor Profit and Risk Allowance)
- Under 221(d)(3), construction soft costs will not include BSPRA or SPRA, but will include a Developer's Fee
- Pre-payment restrictions permitted under 221(d)(4); prepayment under 221(d)(3) requires HUD approval

Eligible Mortgageors:

- 221(d)(3): Non-profit sponsor/mortgageors only
- 221(d)(4): For-profit and Non-profit mortgageors

Terms:

- 40-year maximum term or 75% of remaining economic life
- LTV 90% (up to 100% for non-profit owners under 221(d)(3))
- DSC 90% of net income (up to 95% for non-profit owners under 221(d)(3))

Commercial space and income restrictions:

- Limited to 10% of gross floor area and 15% of gross income
- The 221(d)(3) and 221(d)(4) programs may be used to finance projects designed specifically for independent seniors (age 62 and over), however, congregate living facilities (i.e., Retirement Services Centers) are not eligible under 221(d)(3) or 221(d)(4) and no mandatory non-shelter services are permitted
- Two-stage application process (applies to all applications involving new construction and/or substantial rehabilitation):
 1. Pre-application. HUD reviews project rents and expenses and inspects site for acceptability and freedom from environmental issues. A firm invitation letter is issued.
 2. Firm Commitment. Complete processing, including an appraisal is submitted for HUD review and issuance of a firm commitment.

Terms:

New construction and substantial rehabilitation:

- 40-year term or 75% of remaining economic life
- LTV 90% (95% for non-profit sponsor)
- DSC 90% (95% for non-profit sponsor)

Refinance or acquisition:

- 35-year term or 75% of remaining economic life
- LTV 85%
- DSC 85%

Note:

a. In all cases, net income reflects return to realty/non-realty only and must be reduced by the amount of income attributable to the business portion of the entity.

b. Equity takeout is not permitted on 232/223f transactions or 223f transactions involving Section 202 projects.

c. "Founders fees", "life care fees" or similar charges are not permitted.

d. New Construction and Substantial Rehab require a two stage processing, as with 221(d)(3), 221(d)(4) and 220 projects.



For projects involving pre-applications, HUD will issue a Firm invitation letter within 45 calendar days of receipt of a complete application package. The lender has 120 calendar days to submit the Firm Commitment application. The HUD Director may approve up to three 30-day extensions; HUD Headquarters may issue one additional 30-day extension. Extension requests must be supported by documentation from the Lender that the conclusions in their underwriting are still valid. For projects involving pre-applications, HUD will issue a Firm Commitment within 45 calendar days of receiving a complete Firm application package.



Rental housing refinance and acquisition

Details:

Properties must be at least 3 years old (unless constructed with HUD-insured financing) and must remain rental housing for at least 5 years after initial/final endorsement.

- Fixed interest, market rate
- Non-recourse
- Assumable
- 5 or more units
- No cap on number of units or loan amount
- Statutory per unit limits vary by location
- No Davis-Bacon wage rates for required repairs
- Equity take-out possible if LTV is less than 80%

Eligible mortgageors:

Owners or prospective purchasers (profit-motivated or non-profit) of eligible multifamily properties.

Terms:

- 35-year term or 75% of remaining economic life
- LTV 85% (90% for 223f transactions involving existing Section 202 projects
- DSC 85% of net income
- No separate LTV or DSC for non-profit owners
- Commercial space may not exceed 20% of gross floor area; commercial income may not exceed 20% of gross income

There is no pre-application processing stage for 223(f) or 232/223(f) projects.



For applications involving the purchase or refinance of an existing property, HUD will issue a Firm Commitment within 60 calendar days of receiving a complete application package. In all cases, Firm Commitments are good for 60 calendar days, and may be extended for two additional 30-day periods. Once a Firm Commitment has expired, it may only be re-opened under very limited circumstances, and payment of an additional processing fee is required.

The MAP program was inaugurated in July 2000. MAP has resulted in huge increases in productivity for HUD multifamily mortgage insurance programs. Here is a synopsis of MAP activity, both in the San Francisco Hub and nationwide, from October 2000 through mid-March 2007, in terms of projects endorsed, number of units/beds, and dollars of mortgages insured:

Section 220,221(d)(3),221(d)4
(Apartments; new construction / substantial rehabilitation)

San Francisco Hub
Projects: 53 - Units: 11,927
Dollars Insured: \$ 811,006,900

ALL HUBS
Projects: 815 - Units: 149,278
Dollars Insured: \$ 9,937,748,500

Section 223(f)
(Purchase/refinance of existing multifamily projects)

San Francisco Hub
Projects: 68 - Units: 10,474
Dollars Insured: \$ 486,888,100

ALL HUBS
Projects: 1,011 - Units: 125,515
Dollars Insured: \$ 5,034,721,103



New Construction, substantial rehabilitation and refinance/acquisition for nursing homes, intermediate care facilities, assisted living facilities and board and care facilities.

Details:

- Fixed interest, market rate
- Non-recourse
- Assumable
- No statutory limits
- Construction financing is also insurable (at lender's option)
- Davis-Bacon wage rates for new construction and substantial rehabilitation
- Facility must be licensed/certified by state or local agency
- Nursing homes, intermediate care facilities with 20 or more beds
- Assisted living, board and care facilities with 5 or more beds
- Up to 25% of beds in board and care facilities may be independent living (additional debt service reserves are required for facilities with independent living units)

Eligible mortgageors:

- Investors, builders, developers, public entities (nursing homes) and private non-profit corporations and associations. For nursing homes only, applicants may be public agencies that are licensed or regulated by a State to care for convalescents and people who need nursing or intermediate care

Section 232
(Health Care Facilities; new construction / substantial rehabilitation)

San Francisco Hub
Projects: 16 - Beds: 1,536
Dollars Insured: \$ 164,042,200

ALL HUBS
Projects: 146 - Beds: 14,402
Dollars Insured: \$ 1,372,946,400

Section 232/223(f)
(Purchase/refinance of existing Health Care Facilities)

San Francisco Hub
Projects: 55 - Beds: 7,488
Dollars Insured: \$ 396,880,200

ALL HUBS
Projects: 822 - Beds: 96,661
Dollars Insured: \$ 4,743,673,858

Total Production

San Francisco Hub
Projects: 192 - Beds/Units: 31,425
Dollars Insured: \$ 1,858,817,400

ALL HUBS
Projects: 2,794 - Beds/Units: 385,856
Dollars Insured: \$ 21,089,089,861



The HUD MAP Guide is available on-line at:
<http://www.hud.gov/offices/hsg/mfh/map/mapguide/>

A list of HUD-approved MAP lenders :
<http://www.hud.gov/offices/hsg/mfh/map/aprvlend.pdf>

For more information on RC/EZ/EC's, including maps of designated areas, see:
<http://www.hud.gov/offices/cpdl/economicdevelopment/programs/rc/index.cfm>

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