



## Interest Rate Reduction Loan Modifications for Multifamily Properties

### Program Overview:

This program permits the modification of an existing loan only for the purpose of reducing the interest rate. The existing prepayment penalty must be paid in full

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Qualified Properties	<ul style="list-style-type: none"><li>• Properties with existing FHA insured loans are eligible. Must be out of lock-out before the request is submitted</li></ul>
Loan Amount	<ul style="list-style-type: none"><li>• No increase in loan proceeds available; however, a minimum DSC of 1.11x is required based on T-12 operating financials and the new interest rate</li></ul>
Maximum Term	<ul style="list-style-type: none"><li>• No term extension available</li></ul>
Fees and Expenses	<ul style="list-style-type: none"><li>• Minimal fees and expenses. No financing fees. Prepayment penalties, lender legal fees and title/recording can all be paid through premium generated by the interest rate. Borrower legal, if any, must be paid out of pocket at closing</li></ul>
Timing	<ul style="list-style-type: none"><li>• 30 - 45 days</li><li>• No underwriting required</li><li>• HUD asset management approval required</li></ul>
Other FHA Requirements	<ul style="list-style-type: none"><li>• Replacement reserve escrow remains in place</li><li>• No third party reports required</li><li>• MIP remains at existing level</li></ul>