

# Bedford Lending

## FHA Mortgage Insurance Programs

### Section 223(a)(7)

#### Refinance of an Existing FHA Loan

**Bedford Lending** is a leading FHA-approved Mortgagee and MAP/LEAN lender that actively underwrites FHA insured mortgage loans for multifamily housing, seniors housing, assisted living and skilled care properties nationwide.

<b>Program Purpose:</b>	Allows borrowers with existing FHA insured loans to lower their interest rate, extend the term of the loan, fund repairs, and increase reserves.
<b>Eligible Borrowers:</b>	Profit motivated, non-profit motivated and public owners are eligible.
<b>Eligible Asset Type:</b>	Projects with existing FHA insurance.
<b>Maximum Loan:</b>	<b>Refinancing:</b> The lesser of: <ol style="list-style-type: none"><li>1. Original principal amount of existing insured mortgage.</li><li>2. DSC of 1.11x (1.05x for projects with 90%+ project-based rental assistance)</li><li>3. 100% of eligible transaction costs, including existing indebtedness, repairs, fees, third party costs and initial reserve deposit</li></ol>
<b>Maximum Term:</b>	HUD will allow up to 12 years beyond the remaining term – but it cannot exceed the original term of the loan. Allowable extension to be determined based on property condition, reserve balance, and DCR.
<b>Interest Rate:</b>	Subject to market conditions.
<b>Mortgage Insurance</b>	
<b>Premium:</b>	The annual MIP has historically been 0.50% of the outstanding loan amount. 0.50% due at closing.
<b>Timing:</b>	Typically less than 90 days.
<b>FHA Application Fees:</b>	0.15% of the loan amount (non-refundable).
<b>Replacement Reserves:</b>	Must be transferred in full upon closing.
<b>Personal Liability:</b>	Non-recourse
<b>Assumable:</b>	Yes, subject to HUD approval.
<b>Repairs/Improvements:</b>	Repairs cannot exceed \$1,500 per unit. Not required to use Davis Bacon wages.
<b>Territory:</b>	Nationwide.
<b>The program has the following additional parameters:</b>	<ul style="list-style-type: none"><li>• Costs associated with capital improvements already made to property may be included in loan amount per HUD approval.</li><li>• Large loans or loans in poor condition may require lender site visit.</li><li>• No new appraisal, market study, or environmental report required, however new PCNA will be required as part of application.</li></ul>

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**For additional information visit [www.bedfordlending.com](http://www.bedfordlending.com) or contact:**

**Wayne Jean**  
President  
Bedford Lending  
[waynej@bedfordlending.com](mailto:waynej@bedfordlending.com)  
603-647-4646