



COPERATIVE HOUSING

REFINANCE

HUD SECTION 223(F)

The Section 213 program provides for the refinance of existing cooperative housing projects.

ELIGIBILITY

- ❖ Eligible Mortgagors include nonprofit cooperative housing corporations or nonprofit Cooperative Ownership Housing trusts.
- ❖ The property must contain at least 5 residential units with complete kitchens and bathrooms.
- ❖ If the Cooperative was a conversion, the conversion must have been completed at least three years prior to application date.
- ❖ The project must be fully subscribed with no units owned by the original developer.
- ❖ Age restricted cooperatives are eligible provided the primary occupant is age 62 years or older.
- ❖ At least 75% of the total number of units must be occupied by Cooperative members and no more than 25% of the units may be owned by investors.
- ❖ Commercial space is allowed provided it does not exceed 20% of the total net rental area and not exceed 20% of the effective gross income.

ESCROWS

- ❖ Full escrows for property taxes, all applicable insurance and any special assessments are funded at closing and maintained throughout the life of the loan.

REQUIREMENTS

- ❖ In addition to the Initial Deposit to Reserve for Replacements, an Initial Deposit to the GOR may be required in an amount not to exceed 15% of the annual carrying charge.

FEATURES

- ❖ This is a non-recourse loan.
- ❖ Long term loan up to 40 years, not to exceed 75% of remaining economic life.
- ❖ Low, fixed interest rates, fully amortizing.
- ❖ Debt Coverage ratio of 1.00 x of net operating income.
- ❖ The lesser of 65% of Market Rate Rental Apartment Project or 55% of gross sell-out value.
- ❖ The loan is fully assumable subject to the approval of CMI and HUD.

For Additional Information Contact: