

WHY CONSIDER AN **FHA** CONSTRUCTION LOAN?

ColumbiaNational Real Estate Finance is an approved MAP lender and can obtain mortgage insurance through the Federal Housing Administration (FHA) via the U.S. Department of Housing and Urban Development (HUD). Our status as a MAP (Multifamily Accelerated Processing) lender allows us to provide you with a faster and smoother process.

FHA programs include construction/permanent loans under Section 221(d)(4)

There are many reasons to consider a HUD loan to build and permanently finance your multifamily projects. Some of the benefits include:

- Non-Recourse for the Entire Term
- Rate Fixed at Closing for Construction and Permanent Phase.
- Loan Term of 40 years post construction, but Prepayable¹
- Interest Only during construction followed by a 40-year amortization period
- Fully Assumable
- High Leverage
 - Loans on for profit developments are generally sized on a debt service ratio of 1.176x²
 - This allows you to use 85% of the net operating income from the property to size the loan.
 - Land can be included at value if it has been owned for three or more years.
- Fewer Operating Covenants
 - No lease requirements for construction to convert to permanent
 - No annual debt service coverage tests
 - No ongoing net worth requirements
 - No restrictions on rents or rental increases

COLUMBIANATIONAL
Real Estate Finance, LLC

www.CNREF.com

To see how ColumbiaNational can help you arrange the best possible financing for your deal, contact:

Kevin McCarthy at 443-955-0692 or kmccarthy@cnref.com

¹A typical structure is locked during construction then 10% penalty in year one, declining 1% each year until fully open in year eleven. Alternatives can be structured which may include additional cost. ²Loans above \$120 million are underwritten at a dsc of 1.30x

WHY WORK WITH US?

- We've been in business delivering results for our customers since 1939.
- As an independent, privately owned firm we can be more flexible than larger public financial institutions.
- In addition to FHA, we have over 20 correspondent life insurance company relationships and many other lending sources. We ensure that we arrange the best possible financing to meet your needs.
- We have a seasoned team of FHA experts averaging over 25 years of experience and we service all our loans in house.

ColumbiaNational Real Estate Finance, founded in 1939, is a commercial Mortgage Banking firm that arranges equity and debt financing for real estate developers, investors, and owners of income producing properties throughout the country. Our seasoned professionals have experience in financing all phases of the capital stack including first and second mortgage debt, mezzanine financing, preferred equity, joint venture equity, as well as construction financing and bridge loans.

We provide financing solutions for a wide spectrum of property types, including multifamily, office, industrial, retail, mixed-use, hotels, assisted living facilities, and self-storage.

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