



Preservation Financing Resource List

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Note: The Web addresses (URLs) listed below are accurate as of April 2017, but may change in the future.

General Resources for Preservation Transactions

- General information on multifamily housing preservation is located on the Office of Recapitalization page of HUD's website at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/hsgmfbus/aboutahp and on the HUD Exchange at: <https://www.hudexchange.info/multifamily-housing-preservation>. Specific preservation program information on Section 236 preservation and RAD are located here:
 - <https://www.hudexchange.info/section-236-preservation/>
 - <https://www.hudexchange.info/rad/>
- The application for Section 236 preservation and related resources are located on the Multifamily Preservation Resource Desk at: <http://www.hudmfpreservation.net/index.cfm>.
- Detailed information on RAD is available on HUD's RAD website at: <http://hud.gov/rad> and the RAD Resource Desk at: <http://radresource.net/index.cfm>.
- Contact your HUD Field Office Multifamily staff. Contact information is available at: <http://portal.hud.gov/hudportal/HUD?src=/localoffices>.
- Contact your State Housing Finance Agency (HFA). Contact information is available at: <https://www.ncsha.org/housing-help>.
- Consider attending your HFA's annual housing conference.
- Consider training opportunities such as:
 - NeighborWorks® Training Institute: <http://www.neighborworks.org/training-services/training-professional-development>
 - National Development Council: https://ndconline.org/site/training/category/online_training



Resources for Regulatory Options

202 Prepayment and Refinancing

Notice H-2013-17—Updated requirements for prepayment and refinance of Section 202 Direct Loans is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=13-17hsgn.pdf>.

Ability of Nonprofit Borrowers to Retain Sales Proceeds

Nonprofit owners of FHA-insured and HUD-held (formerly insured) properties generally are not able to retain any net proceeds from a sale. Notice H-2011-31 discusses exceptions to this general rule and is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-31hsgn.pdf>.

Conversion of Efficiency Units

Notice H-2011-03 discusses requirements for conversion of unmarketable efficiency units into a smaller number of larger unit sizes and is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-03hsgn.pdf>.

Flexible Subsidy

Notice H-2011-05 discusses requirements for deferred repayment of Operating Assistance Flex Sub Loans and is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=11-05hsgn.pdf>.

Prepayment Requirements

Notices H-2004-17 and H-2006-11 discuss requirements for prepayment of FHA-insured and HUD-held (formerly insured) loans that require an additional discretionary permission from HUD (these are sometimes called “Section 250a” prepayments). The Notices and a related policy clarification are available at:

- https://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg
- https://portal.hud.gov/hudportal/documents/huddoc?id=DOC_14941.pdf

Tenant Protection Vouchers

- Notice H-2012-03 discusses situations in which TPVs can be issued and the requirements for issuing TPVs. The Notice is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=12-03hsgn.pdf>.
- Notice PIH-2001-41 provides additional information on TPVs and is available at: <http://www.hud.gov/offices/adm/hudclips/notices/pih/01pihnotices.cfm>.
- Notice PIH-2014-04 amends Notice PIH-2001-41 and is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=14-04pihn.pdf>.



IRP Decoupling

- Notices 2000-08 and 2013-25 discuss refinancing of insured Section 236 projects into non-insured Section 236(b) projects and guidelines for continuation of IRP after refinancing; "decoupling," as allowed by the National Housing Act, under Section 236(e)(2). The Notices are available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/notices/hsg/00hsgnotices and <http://portal.hud.gov/hudportal/documents/huddoc?id=13-25hsgn.pdf>.

LIPHRHA/ELIHPA Use Agreement Modification

- Notice H-2012-25 discusses the policy for amended and restated use agreements for multifamily projects subject to the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRA). The Notice is available at: <http://portal.hud.gov/hudportal/documents/huddoc?id=12-25hsgn.pdf>.

Resources for the Second Component of RAD

- The latest version of Notice PIH-2012-32 (HA) H-2017-03, REV-3, Rental Assistance Demonstration – Final Implementation, Revision 3, published on January 12, 2017, is available at: <https://portal.hud.gov/hudportal/documents/huddoc?id=17-03hsgn.pdf>.
- Information on submitting a RAD Second Component application is available here: <http://www.radresource.net/Submitting%20a%20RAD%20Second%20Component%20Application.pdf>.

Resources for Types of Multifamily Refinancing Loans

FHA Refinancing

All of the following resources are from the HUD.gov website.

- FHA's refinancing program for existing multifamily properties that are not undergoing either "substantial rehabilitation" or new construction is called Section 223(f). The term "substantial rehabilitation" has a specialized meaning in FHA multifamily programs; be sure to discuss this with your FHA lender when deciding which FHA program is appropriate for your preservation transaction. Information on the FHA 223(f) program is available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/purchrefi223f.
- Existing multifamily properties that will be undergoing "substantial rehabilitation" or new construction are called Section 221(d)(4). Information is available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/progdesc/rentcoophsg221d3n4.
- FHA has two additional refinancing programs that are used exclusively or primarily to reduce the interest rates on existing loans that already have FHA mortgage insurance:
 - Interest Rate Reduction – this is an FHA initiative, started in 2013, that allows FHA-insured lenders and borrowers to negotiate reduced interest rates for existing loans without changing the loan amount and without paying off the existing loan. FHA has a streamlined approval process for the Interest Rate Reduction initiative.
 - Section 223(a)(7) – this is a long-standing FHA program that allows existing FHA mortgage insurance to be reused, to insure a new loan that pays off the existing loan and that can have a larger loan amount than the existing loan (the new loan amount can be up to the original amount of the existing loan). By comparison to the Interest Rate Reduction initiative, Section 223(a)(7) has the advantage of allowing a higher loan amount, but the disadvantage of a more time-consuming approval process.



- FHA maintains a listing of leading FHA multifamily lenders (by number of closings) at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/mfdata/mec_lend.
- In addition, experts in the industry rely on FHA's Multifamily Accelerated Processing (MAP) Guide. The MAP Guide contains detailed guidance for FHA multifamily lenders and is available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/hsg-GB4430.

State Housing Finance Agency (HFA) Refinancing

Contact your state's HFA. Contact information is available from the National Council of State Housing Agencies at: <https://www.ncsha.org/housing-help>.

Other Multifamily Refinancing Loans

A variety of other lenders offer refinancing for multifamily properties. Ask people you know who are knowledgeable about preservation transactions in your area to see which lenders have been active with transactions like the one you are considering.

Fannie Mae and Freddie Mac Refinancing

- Fannie Mae works with a network of "Delegated Underwriting and Servicing (DUS)" lenders to finance apartment buildings and cooperatives. The benefits of the Fannie Mae DUS program include a lower interest rate. Fannie Mae maintains a Multifamily Business webpage at: <https://www.fanniemae.com/multifamily/>.
- Freddie Mac purchases multifamily loans from a network of "seller / servicer" lenders and then securitizes those loans. The benefits of Freddie Mac securitization include a lower interest rate. Freddie Mac maintains a Multifamily webpage at: <http://www.freddie.com/multifamily/>.

Resources for Various Types of Tax Credits

Federal Low-Income Housing Tax Credits

- Mississippi Home Corporation LIHTC Guide: <http://www.mshc.com/wp-content/uploads/2014/11/HTC-Homeownership-Policy-Guide.pdf>
- National Council of State Housing Agencies (NCSHA) website:
 - NCSHA LIHTC reference guide: <https://www.ncsha.org/resource/housing-credit-reference-guide>
- Novogradac LIHTC webpage: http://www.novoco.com/low_income_housing/lihtc/index.php

Federal Historic Tax Credits

- National Park Service webpage: <http://www.nps.gov/tps/tax-incentives.htm>
- Novogradac webpage: <http://www.novoco.com/historic/>
- National Trust for Historic Preservation webpage: <http://www.preservationnation.org/take-action/advocacy-center/policy-resources/historic-tax-credits.html>



Federal New Markets Tax Credits

- Department of the Treasury NMTC webpage: <https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit/pages/default.aspx>
- CohnReznick NMTC webpage: <http://www.cohnreznick.com/industries/new-markets-tax-credits>
- Novogradac NMTC webpage: http://www.novoco.com/new_markets/
- Enterprise NMTC overview: <http://www.enterprisecommunity.org/tag/financing-and-development/new-market-tax-credits>

State Low-Income Housing Tax Credits

- Novogradac: https://www.novoco.com/low_income_housing/lihtc/state_lihtc.php

State Historic Tax Credits

- Novogradac: https://www.novoco.com/historic/htc/state_programs.php
- National Trust for Historic Preservation: <http://www.preservationnation.org/take-action/advocacy-center/additional-resources/historic-tax-credit-maps/state-rehabilitation-tax.html#.VS-oYr50xi4>

Resources for Soft Loan / Grant Financing

HUD Home Investment Partnerships Program (HOME)

- HUD HOME program webpage: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/programs/home/
- HUD Exchange HOME Resource Center: <https://www.hudexchange.info/home/>

Community Development Block Grant Program (CDBG)

- HUD CDBG program webpage: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

National Housing Trust Fund

- HUD Exchange NHTF webpage: <https://www.hudexchange.info/htf>

State Housing Trust Funds

- Center for Community Changes Housing Trust Fund Project website: <http://housingtrustfundproject.org/housing-trust-funds/state-housing-trust-funds/>

Federal Home Loan Bank Affordable Housing Program (AHP) Funds

- Each of the Federal Home Loan Banks has a website that will include information on the AHP program. Here is a link to the FHLB San Francisco website: <http://www.fhlbsf.com/community/grant/ahp.aspx>



In addition, it is a good idea to check with your State Housing Finance Agency, local government housing agency, and local foundations to see if there are local resources that may be useful for your preservation transaction.

Resources for Energy-Saving Retrofit Financing

General Resources for Energy-Saving Retrofits

- <https://www.hudexchange.info/programs/better-buildings-challenge/>
- Enterprise Green Communities Technical Assistance Providers Database: <http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/resources/technical-assistance-providers-database>
- Partnering For Success: An Action Guide for Advancing Utility Energy Efficiency Funding for Multifamily Rental Housing, National Housing Trust: <http://www.nhtinc.org/downloads/partnering-for-success-action-guide.pdf>
- National Housing & Rehabilitation Association's *Preservation Through Energy Efficiency Initiative*: <https://www.housingonline.com/about/preservation-energy-efficiency-initiative/ptee-initiative/>

Federal and State Renewable Energy Tax Credits

- Department of Energy: <http://energy.gov/savings/residential-renewable-energy-tax-credit>
- Directory of State Incentives: <http://www.dsireusa.org/>

Utility Rebates

- Department of Energy: <http://energy.gov/savings>

Note: This resource list does not address preservation of USDA Rural Housing Service properties. See USDA's webpage at: <http://www.rd.usda.gov/programs-services/housing-preservation-revitalization-demonstration-loans-grants>.
