

Supplemental Loan for Multifamily + Healthcare Properties

PURPOSE	Finances repairs, additions and/or improvements (including energy conservation improvements) for Multifamily and Healthcare properties with FHA-insured first mortgages.	
ELIGIBLE PROPERTIES	Multifamily, Nursing Homes, Assisted Living, Intermediate Care, and Board + Care facilities with existing FHA-insured mortgages.	
BORROWER	Single asset, special purpose entity. Either for-profit or non-profit. As this is a second mortgage, the borrower will be the same entity in both the existing first mortgage and the 241(a) loan.	
MAXIMUM LOAN AMOUNT	<p>The lesser of:</p> <ul style="list-style-type: none"> a) Amount requested in the application; b) 90% of the value of the HUD-estimated cost of improvements; c) 90% of the estimated replacement cost; d) An amount which, when added to the outstanding balance of the existing FHA-insured mortgage, does not exceed 85% LTV (for non-profit mortgagors) or 80% LTV (all other eligible entities). e) Amount based of total indebtedness. 	
MINIMUM DSCR	Multifamily – 1.11x Healthcare – 1.45x	
TERM + AMORTIZATION	Equal to the remaining term of the FHA-insured first mortgage, not less than 10 years.	
INTEREST RATE	Fixed-rate, subject to market conditions at the time of rate lock.	
MORTGAGE INSURANCE PREMIUM (MIP)	<p>Multifamily</p> <ul style="list-style-type: none"> • Market Rate – 0.95% • Affordable Properties – 0.35% • Broadly Affordable/Energy Efficient – 0.25% 	<p>Healthcare</p> <ul style="list-style-type: none"> • Without LIHTC – 0.72% • With LIHTC – 0.45%
RECOURSE	Non-recourse.	
ASSUMABILITY	Fully assumable, subject to HUD approval.	
PREPAYMENT	Negotiable. Typically, 10% year one, declining 1% per year.	
THIRD PARTY REPORTS	Appraisal, Phase I ESA and market report. Other reports as needed.	
ESCROWS/RESERVES	The supplemental loan will not require a second replacement reserve but will require a reanalysis of the existing reserve on the FHA-insured first mortgage. This new analysis will determine needs for the existing project and any new additions related to the supplemental loan.	
HUD APPLICATION FEE	\$3 per \$1,000 of requested loan amount.	
HUD INSPECTION FEE	0.5% of the loan amount.	

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