

## Supplemental Loan for Multifamily + Healthcare Properties

<b>PURPOSE</b>	Finances repairs, additions and/or improvements (including energy conservation improvements) for Multifamily and Healthcare properties with FHA-insured first mortgages.	
<b>ELIGIBLE PROPERTIES</b>	Multifamily, Nursing Homes, Assisted Living, Intermediate Care, and Board + Care facilities with existing FHA-insured mortgages.	
<b>BORROWER</b>	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.	
<b>MAXIMUM LOAN AMOUNT</b>	<p>The lesser of:</p> <ul style="list-style-type: none"> <li>a) Amount requested in the application;</li> <li>b) 90% of the value of the HUD-estimated cost of improvements;</li> <li>c) 90% of the estimated replacement cost;</li> <li>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).</li> <li>e) Amount based of total indebtedness.</li> </ul>	
<b>MINIMUM DSCR</b>	Multifamily – 1.11x    Healthcare – 1.45x	
<b>TERM + AMORTIZATION</b>	Equal to the remaining term of the FHA-insured first mortgage, not less than 10 years.	
<b>INTEREST RATE</b>	Fixed-rate, subject to market conditions at the time of rate lock.	
<b>MORTGAGE INSURANCE PREMIUM</b>	<p>Multifamily</p> <ul style="list-style-type: none"> <li>• Market Rate – 0.95%</li> <li>• Affordable Properties – 0.35%</li> <li>• Broadly Affordable/Energy Efficient – 0.25%</li> </ul>	<p>Healthcare</p> <ul style="list-style-type: none"> <li>• Without LIHTC – 0.72%</li> <li>• With LIHTC – 0.45%</li> </ul>
<b>RECOURSE</b>	Non-recourse.	
<b>ASSUMABILITY</b>	Fully assumable, subject to HUD approval.	
<b>PREPAYMENT</b>	Negotiable. Typically, 10% year one, declining 1% per year.	
<b>THIRD PARTY REPORTS</b>	Appraisal, Phase I ESA and market report. Other reports as needed.	
<b>ESCROWS/RESERVES</b>	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.	
<b>HUD APPLICATION FEE</b>	\$3 per \$1,000 of requested loan amount.	
<b>HUD INSPECTION FEE</b>	0.5% of the loan amount.	

