



FHA Section 232/241(a)

Mortgage Insurance for Healthcare Facilities Supplemental Loan Program of Existing FHA Insured or HUD-Held Mortgages

The Section 241(a) Program insures mortgage loans to finance repairs, additions, and improvements to health care facilities with FHA insured first mortgages or HUD-held mortgages. The program is intended to keep the project competitive, extend its economic life, and to finance the replacement of obsolete equipment. Insured mortgages finance repairs, additions, and improvements to group practice facilities, hospitals, or nursing homes already insured by HUD or held by HUD. Major movable equipment and furniture for insured nursing homes, group practice facilities, or hospitals may be covered by a mortgage under this program.

Eligible Borrowers:	Single Asset Entity with existing FHA Insured Mortgages
Loan Term:	Coterminous with the existing loan
Loan Amount:	Amount limited to lesser of: (1) 90% of total replacement cost or; (2) 90% of proposed market value minus the "as-is" market value or; (3) debt service coverage of 1.45 or; (4) 90% of the proposed market value minus 100% of the outstanding debt currently owed or (5) total replacement costs minus any Grants, Loans, Gifts and Tax Credits.
Interest Rate:	Subject to market conditions, the fixed interest rate is set at initial closing.
Funding:	Qualifies for Ginnie Mae government guaranteed mortgage-backed securities, direct placement or may be used to credit enhance tax-exempt or taxable bonds.
Timing:	Single and two-stage processing is available.
Recourse:	FHA is non-recourse as to the mortgagor entity, but certain parties may be personally liable for losses arising from certain inappropriate acts and malfeasance.
Fees:	FHA application fee, inspection fee, lenders fee and mortgage insurance premiums will be collected. Various third party reports are required. All of these costs may be eligible for inclusion in the mortgage note and are reimbursable to client at closing.
Other:	<ul style="list-style-type: none">• Compliance with Davis Bacon wage rates is consistent with original FHA loan program requirements.• Client pays for all third party reports which include a market study, full appraisal, engineering report, architectural report, a seismic report, if applicable, and environmental studies, as well as, legal and organizational costs.

This is a general outline of the program requirements. For complete information and to determine how your property can benefit from this financing opportunity, please contact your MH Finance representative at info@MHFinanceLLC.com, or call (267) 629-6700.