

FHA/HUD242/223(a)(7): STREAMLINED REFINANCING OF EXISTING FHA-INSURED MORGTGAGES



GENERAL TERMS

Eligible Properties	Existing FHA-insured licensed acute care hospitals including critical access hospitals
Eligible Borrowers	Not-for-profit, for profit or public entity
Amortization	Fixed rate, fully amortizing
Terms	Limited to the remaining term on the existing FHA mortgage. Under limited circumstances a term extension may be allowed
Maximum Loan Amount	The lesser of: <ol style="list-style-type: none">1. Original principal balance; or2. Existing indebtedness plus transaction costs.
Prepayment Options	Negotiable with best pricing for 10 years of call protection (can be a combination of lockout and/or penalty)
Personal Liability	Non-recourse loan subject to carve-outs for fraud and misrepresentation

ADDITIONAL PARAMETERS

Secondary Financing	Allowable subject to FHA criteria
Repair Limitations	Any construction activities financed are approved by HUD and must relate to urgently needed modifications
Third Party Reports	Feasibility and Environmental Studies may be required by HUD
Escrows	Property taxes, insurance, and HUD mortgage insurance premium
Mortgage Reserve Fund	Required to equal one year's debt service after five years and two year's debt service after 10 years. Funded through hospital operations
HUD MIP	The initial insurance premium is 0.50% of the mortgage amount. Thereafter, 0.55% annually, payable in monthly installments
HUD Application Fee	0.15% of the mortgage amount
HUD Inspection Fee	Inspection fee ranges from 0.10% to 0.50% of the mortgage amount depending on the amount of construction hard costs included in the loan