

FHA Section 241(a) Healthcare Supplemental Loan Program 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: Maximum insurable loan amount is determined based on the lesser of a percentage of either the project cost of the addition, the value of the addition, or the amount of debt the entire project can support.

Interest Rate: Subject to market conditions, the fixed interest rate is set at initial closing.

Timing: This program is processed under FHA's LEAN guidelines which employ a standardized work product and aim for a consistent, timely result.

Funding: Qualifies for Ginnie Mae government guaranteed mortgage-backed securities, direct placement or may be used to credit enhance tax-exempt or taxable bonds.

Personal Liability: None, FHA is non-recourse.

Fees: FHA application fee, inspection fee, lender fees 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: Compliance with Davis Bacon wage rates is consistent with original FHA loan program requirements.

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 Oppenheimer representative, or call (215)631-9151.