



# FHA Section 241(a)

Supplemental loan for multifamily and healthcare properties

## Eligible Properties

Multifamily or healthcare properties with existing FHA loans

FHA SECTION 241(a) AT A GLANCE	
<b>Borrower</b>	Profit motivated, nonprofit and public owners
<b>Recourse</b>	Fully non-recourse
<b>Maximum Mortgage Limits</b>	The lesser of: a) 90% of replacement cost b) DSCR based on original HUD mortgage
<b>Interest Rate</b>	Fixed rate determined by market conditions at the time of rate lock
<b>Amortization and Term</b>	Term/amortization equal to the remaining term of original HUD mortgage, not less than 10 years
<b>Mortgage Insurance Premium</b>	Between 0.45% and 0.95% annually
<b>Escrows</b>	Based on original HUD mortgage
<b>Federal Labor Standards</b>	Prevailing wages not required unless original HUD mortgage was a 232 or 221(d) new construction loan
<b>Financing Fee</b>	Fees negotiable
<b>Placement Fee</b>	Fees negotiable
<b>HUD Inspection Fee</b>	\$5 per \$1,000 of total structures cost
<b>Rate Lock Deposit</b>	Typically 0.50% of mortgage amount, refunded at closing
<b>Third-Party Reports</b>	Appraisal, market study, and environmental, architectural and cost review are required
<b>Closing Expenses</b>	Legal fees, title insurance and survey
<b>HUD Review Time</b>	Typically 6 months, subject to deal specifics
<b>Working Capital</b>	Not required

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