

FHA[®] 241(a)

Supplemental Loan for Repairs, Additions, or Improvements to HUD First Mortgage Properties

HUD-Insured second mortgage provided by Arbor to finance repairs, additions, and improvements to multifamily properties and healthcare facilities with an existing HUD-insured first mortgage.

Loan Term	Generally co-terminus with the HUD first mortgage
Amortization	Fully amortizing
Maximum Loan Amount	Will be the lesser of: <ul style="list-style-type: none">• 90% loan to cost;• 90% loan to value; or• 1.11 debt service coverage ratio (combined first and second) If combination of existing first mortgage and the new supplemental loan exceeds the large loan threshold, then large loan parameters would apply.
Rates	Fixed rate
Eligible Properties	Apartment properties and healthcare facilities with an existing HUD-insured first mortgage
Eligible Borrower	The same single-asset entity as the existing HUD-insured first mortgage (non-profit entities eligible)
Recourse	Non-recourse, subject to HUD Regulatory Agreement
Prepayment	Typically, 10% year one, declining 1% per year; other prepayment options available subject to market conditions
Assumable	Subject to Arbor and HUD approval and payment of assumption fee
HUD Mortgage Insurance Premium (MIP)	Annual MIP rates (multifamily): <ul style="list-style-type: none">• Market rate properties: 0.95%• Affordable properties: 0.35%• Broadly affordable or green energy-efficient properties: 0.25% Annual MIP Rates (residential healthcare): <ul style="list-style-type: none">• Without LIHTC: 0.72%• With LIHTC: 0.45% Annual MIP Rates (hospitals): <ul style="list-style-type: none">• 0.65%
Davis-Bacon	Not applicable, unless the original underlying HUD-insured first mortgage was subject to Davis-Bacon