

## FHA Mortgage Insurance Programs Introduction

**Red Mortgage Capital, LLC** is a leading FHA Mortgagee and MAP/LEAN lender and actively underwrites, funds and services FHA insured mortgage loans on multifamily housing, seniors housing, assisted living and skilled care properties nationwide.

The FHA Mortgage Insurance Programs are available and may provide the most practical and attractive financing mechanisms for financing the following:

<b>Section 207:</b>	New Construction or Substantial Rehabilitation of Multifamily Manufactured Home Parks
<b>Section 220:</b>	Financing for Apartments in urban renewal areas
<b>Section 221(d):</b>	New Construction or Substantial Rehabilitation of Apartments (profit-motivated and not-for-profit borrowers)
<b>Section 223(f):</b>	Acquisition or Refinance of Apartments
<b>Section 232:</b>	New Construction or Substantial Rehabilitation of Skilled Care Nursing Homes, Intermediate Care, Assisted Living and Personal Care Facilities (Board and Care Facilities)
<b>Section 232 pursuant to Section 223(f):</b>	Acquisition or Refinance of Skilled Care Nursing Homes, Intermediate Care, Assisted Living and Personal Care Facilities (Board and Care Facilities)
<b>Section 223(a)(7):</b>	Refinance of existing FHA insured mortgages (to reduce the interest rate and pay associated costs.)
<b>Section 241:</b>	Supplemental Loan Program for Renovation or Expansion of existing FHA insured Apartments, Nursing Homes, Assisted Living Facilities, and Personal Care Facilities
<b>Section 242:</b>	New Construction or Substantial Rehabilitation of Acute Care Facilities including Critical Access Hospitals

### Description

FHA mortgage insurance provides one of the most attractive long term, non-recourse, permanent financing vehicles for projects that qualify from both a programmatic and financial perspective. With the Federal Housing Administration's (FHA) implementation of MAP and LEAN processing, processing time has been drastically reduced to as few as 30 days.

As the mortgage insurance provider of HUD, FHA will insure mortgages to finance the acquisition, new construction, substantial rehabilitation and refinance of multifamily and healthcare projects nationwide. Loan Commitments can be funded on a taxable basis, can be swapped for GNMA Mortgage-Backed Securities, or can be used as credit enhancement for tax-exempt bond issues. Projects insured by FHA can be either "market" rate (i.e., not subsidized), affordable housing, or low income housing. HUD does not require low income tenancy set-asides nor does it impose rent limits on insured projects, though the use of tax-exempt bonds or low income housing tax credits can trigger these requirements.

### Special Program Features:

- Non-Recourse (HUD takes a first mortgage lien)
- 35 Year Term and Amortization (Refinance/Acquisition)
- 40 Year Term and Amortization (New Construction/Substantial Rehab)
- Up to 85% LTV (Refinance/Acquisition)
- Up to 90% LTC (New Construction/Substantial Rehab)
- Construction and Permanent Financing Available
- Assumable

**Available To:**

- For Profit, Nonprofit, and Public Borrowers
- New Construction/Substantial rehabilitation projects must be approved by HUD prior to work commencing and the project Architect/Engineer should have FHA experience
- Refinance properties must be 3 years old

**Basic Costs:**

- Annual Mortgage Insurance Premium of 45 to 50 basis points (0.45% to 0.5%) for most programs
- Application Fee of \$3.00 per \$1,000 of mortgage
- **Red Mortgage Capital, LLC** Processing Fee (1.0%-2.5%)

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**For additional information visit [www.redcapitalgroup.com](http://www.redcapitalgroup.com) or contact:**

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**Red Mortgage Capital, LLC** is a leading FHA-approved Mortgagee and MAP/LEAN lender and actively provides financing utilizing FHA insurance programs nationwide pursuant to Multifamily Accelerated Processing (MAP) and LEAN underwriting methods.

In its prequalifying review, **Red Mortgage Capital, LLC** will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

**RED CAPITAL GROUP Offices**

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