

# Application for Project Mortgage Insurance

Nursing Homes, Intermediate Care Facilities,  
and Board and Care Homes

U.S. Department of Housing and  
Urban Development  
Office of Housing  
Federal Housing Commissioner

OMB No. 2502-0029  
(Exp. 05/31/2006)

Project Name	Project Number
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To: \_\_\_\_\_ and the Secretary of Housing and Urban Development. The undersigned hereby requests a loan in the principal amount of \$ \_\_\_\_\_ to be insured under the provisions of Section \_\_\_\_\_ of the National Housing Act, said loan to be secured by a first mortgage on the property hereinafter described. Insurance of advances during construction  is,  is not desired. Type of Financing:  Conventional  GNMA  Tax-Exempt Bond  Taxable Bond  Other Type of Mortgagor:  PM  NP

### A. Location and Description of Property

1. Street Number		2. Municipality		3. County		4. State	
5. Type of Project <input type="checkbox"/> Elevator <input type="checkbox"/> 1-Story		6. Gross Floor Area		7. No., Bldg./Fls.		8. Number of Beds NH      ICF      BC	
				9. Avg. Basic Monthly Charges per Bed \$		10. Avg. Other Monthly Charges per Bed \$	
11. Type of Construction <input type="checkbox"/> Proposed <input type="checkbox"/> Rehabilitation		12. Year Built		13. Accessory Buildings			

### Site Information

14. Dimensions ft. by                      ft., or                      sq. ft.			15. Zoning (If recently changed, submit evidence)		
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### Building Information

16. Structural System ft. by                      ft., or                      sq. ft.			17. Exterior Finish			18. Heating A/C System		
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### B. Information Concerning Land or Property

19. Date Acquired		20. Purchase Price		21. Additional Costs Paid or Accrued		22. If Leasehold Annual Ground Rent		23. Total Cost		24. Relationship-Business, Personal or Other Between Seller and Sponsor	
		\$		\$		\$		\$			

25. Utilities		Public		Community		26. Unusual Site Features									
Water		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/> Cuts		<input type="checkbox"/> Fills		<input type="checkbox"/> Rock Formations		<input type="checkbox"/> Erosion		<input type="checkbox"/> None	
Sewers		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/> Poor Drainage		<input type="checkbox"/> High Water Table		<input type="checkbox"/> Retaining Walls		<input type="checkbox"/> Other			

26a. Special Assessments: (a)  Prepayable  Non-Prepayable; (b) Principal Balance \$ \_\_\_\_\_ ; (c) Annual Payment \$ \_\_\_\_\_ ; (d) Remaining Term \_\_\_\_\_ Yrs.

### C. Estimate of Income

27. Type of Room or Unit	Number of Beds			Estimated Rate (Monthly)			Estimated Monthly Income at 100% Occupancy	Total
	Nursing	ICF	Board & Care	Nursing	ICF	Board & Care		
Private				\$	\$	\$	\$	
Semi-Private				\$	\$	\$	\$	
Three-Bed				\$	\$	\$	\$	
Four-Bed				\$	\$	\$	\$	
Units				\$	\$	\$	\$	

**Total Monthly Income** \$ \_\_\_\_\_

28. Other Income (List) \_\_\_\_\_ \$ \_\_\_\_\_  
 \_\_\_\_\_ \$ \_\_\_\_\_

**Total Other Income** \$ \_\_\_\_\_

**29. Total Monthly Income—All Sources** \$ \_\_\_\_\_

30. **Total Estimated Annual Gross Project Income at 100% Occupancy (Line 29 x 12 Months)** \$ \_\_\_\_\_

### 31. Non-Revenue Producing Space

Type of Employee	No. Rooms	Composition of Unit	Location of Unit in Project

**D. Payroll (Salaries)**

Position	Number	Monthly Rate	Total Annual	Position	Number	Monthly Rate	Total Annual
32. Administrative		\$	\$	35. Housekeeping		\$	\$
		\$	\$			\$	\$
		\$	\$			\$	\$
<b>Total Administrative</b>			\$	<b>Total Housekeeping</b>			\$
33. Bldg. & Grounds		\$	\$	36. Nursing Service		\$	\$
		\$	\$			\$	\$
		\$	\$			\$	\$
		\$	\$			\$	\$
<b>Total Building &amp; Grounds</b>			\$	<b>Total Nursing Services</b>			\$
34. Dietary		\$	\$	37. Other Salaries		\$	\$
		\$	\$			\$	\$
		\$	\$			\$	\$
<b>Total Dietary</b>			\$	<b>Total Other Salaries</b>			\$
38. Estimated Annual Salaries							\$

**E. Estimated Annual Operating Expenses**

Administrative		Other Expenses	
1. Telephone and Telegraph	\$ _____	33. Program and Activities	\$ _____
2. Advertising	_____	34. Library	_____
3. Insurance and Liability	_____	35. Automobile Expense	_____
4. License or Permit	_____	36. <b>Total Other Expenses</b>	\$ _____
5. Legal and Audit	_____	37. <b>Total Salaries</b> (Line D-38)	_____
6. Miscellaneous	_____	38. Repl., Reserve (Realty) (0.0060 x Line G-8)	_____
7. Office Expense	_____	39. <b>Expenses</b> (Less Taxes)	\$ _____
8. <b>Total Administrative</b>	\$ _____	<b>Taxes</b>	
<b>Building and Grounds</b>		40. Real Estate; Est., Assessed Val.	
9. Decorating, Interior & Exterior	\$ _____	\$ _____ @ \$ _____ per \$1000	\$ _____
10. Heating	_____	41. Personal Prop.; Est., Assessed Val.	
11. Electricity	_____	\$ _____ @ \$ _____ per \$1000	\$ _____
12. Water	_____	42. Employee Payroll Tax	\$ _____
13. Gas	_____	43. Employee Social Security	_____
14. Garbage Removal	_____	44. Other	_____
15. Insurance	_____	45. <b>Total Taxes</b>	\$ _____
16. Supplies	_____	46. Repl., Res., (Non-Realty) (0.10 x Line G-36)	_____
17. Maintenance & Repairs (Bldg. & Realty Items)	_____	47. <b>Total Estimated Annual Operating Expenses</b> (Lines 39 + 45 + 46)	\$ _____
18. Grounds Expense	_____	<b>F. Estimate of Net Returns</b>	
19. Miscellaneous	_____	1. Annual Gross Earnings Expectancy (From C-30)	\$ _____
20. Exterminating	_____	2. Predicted Occupancy Ratio _____%	
21. <b>Total Building and Grounds</b>	\$ _____	3. Effective Annual Gross Income (Line F-1 x F-2)	\$ _____
<b>Dietary</b>		4. Est., Total Annual Operating Expense (From E-47)	\$ _____
22. Supplies	\$ _____	5. Net Return Available for Proprietary Earnings Realty and Non-Realty (Line F-3 minus Line F-4)	\$ _____
23. Food Cost	_____	6. Estimated Net Earnings Attributable to Realty and Non-Realty	\$ _____
24. <b>Total Dietary</b>	\$ _____	7. Estimated Residual Proprietary Earnings (Line F-5 minus Line F-6)	\$ _____
<b>Housekeeping</b>		<b>G. Estimated Replacement Cost</b>	
25. Supplies	\$ _____	1. Unusual Land Improvements	\$ _____
26. Laundry	_____	2. Other Land Improvements	\$ _____
27. Other	_____	3. <b>Total Land Improvements</b>	\$ _____
28. <b>Total Housekeeping</b>	\$ _____	4. <b>Structures</b> —Gross Floor Area _____ sq. ft.	
<b>Nursing Service</b>		5. Main Building	\$ _____
29. Supplies	\$ _____	6. Other	\$ _____
30. Drugs	_____	7.	\$ _____
31. Professional Fees	_____	8. <b>Total Structures</b>	\$ _____
32. <b>Total Nursing Service</b>	\$ _____	9. General Requirements	\$ _____



## J. Certification

The undersigned as the principal sponsor of the proposed mortgagor, certifies that he/she is familiar with the provisions of the Regulations of the Secretary of Housing and Urban Development under the above identified Section of the National Housing Act and that, to the best of his/her knowledge and belief, the mortgagor has complied, or will be able to comply, with all of the requirements thereof which are prerequisite to insurance of the mortgage under such Section.

The undersigned further certifies that to the best of his/her knowledge and belief no information or data contained herein or in the exhibits or attachments listed herein, are in any way false or incorrect and that they are truly descriptive of the project or property which is intended as the security for the proposed mortgage and that the proposed construction will not violate zoning ordinances or restrictions of record.

The undersigned agrees with the Department of Housing and Urban Development that pursuant to the requirements of the HUD Regulations, (a) neither he/she nor anyone authorized to act for him/her will decline to sell, rent, or otherwise make available any of the property or housing in the multifamily project to a prospective purchaser or tenant because of his/her race, color, religion, sex, or national origin; (b) he/she will comply with Federal, State, and local laws and ordinances prohibiting discrimination; and (c) his/her failure or refusal to comply with the requirements of either (a) or (b) shall be a proper basis for the Commissioner to reject requests for future business with which the sponsor is identified or to take any other corrective action he/she may deem necessary.

Signature (Sponsor, Authorized to sign)

Date (mm/dd/yyyy)

**Request for Commitment:**  Conditional  Firm

### To: Secretary of Housing and Urban Development

Pursuant to the provisions of the Section of the National Housing Act identified in the foregoing application and HUD Regulations applicable thereto, request is hereby made for the issuance of a commitment to insure a mortgage covering the property described above. After examination of the application and the proposed security, the undersigned considers the project to be desirable and is interested in making a loan in the principal amount of \$ \_\_\_\_\_ which will bear interest at \_\_\_\_\_%, will require repayment of principal over a period of \_\_\_\_\_ months according to amortization plan to be agreed upon.

Insurance of advances during construction  is,  is not desired.

It is understood that the financing expense, in the amount of \$ \_\_\_\_\_ is subject to adjustment so that the total will not exceed \_\_\_\_\_% of the amount of your commitment.

Herewith is check for \$ \_\_\_\_\_, which is in payment of the application fee required by HUD Regulations.

Signature (Proposed Mortgagee)

Address of Mortgagee

**Public reporting burden** for this collection of information is estimated to average 64 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The collection of this information is authorized by Section 207(b) of the National Housing Act (Public Law 479, 48 Stat. 1246, 12 U.S.C. 1701 et. seq.), authorizes the Secretary of HUD to insure mortgages. The Department will use this information to determine the initial feasibility and acceptability for a proposed residential care facility to obtain FHA mortgage insurance. This information is required to obtain benefits. It will be used by the Department to eliminate potential project defaults. The agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

**Privacy Act Statement.** The United States Department of Housing and Urban Development (HUD), Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et. seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information Request.

## Instructions

**Foreword:** HUD procedures divide the process of filing an application for project mortgage insurance into a maximum of three stages, the first being a request for a Site Appraisal and Market Analysis (SAMA) letter or a feasibility analysis if a Rehabilitation project. The second stage is a request through an approved mortgagee for a Conditional Commitment, and the third, a formal application through an approved mortgagee for a Firm Commitment.

A sponsor may combine two or three stages provided he/she has plans and exhibits in sufficient detail. The Firm Commitment stage is always required.

HUD Field Office personnel will provide advice and assistance to sponsors and potential sponsors at all stages in connection with the submission of applications.

A request for SAMA letter may be submitted directly to the HUD Field Office by letter or in person. At the SAMA stage, the form HUD-92013-NH-ICF is completed as follows:

Page 1—Introduction, Sections A, B and C

Page 2—Section G, Line 38

Page 3—Section I, to the extent known; and Section J.

A request for feasibility analysis (rehabilitation) or Conditional Commitment or Firm Commitment must be submitted with this form completed in its entirety.

The exhibits that must be submitted for each stage of processing are listed at the end of these instructions. The exhibits to be submitted for feasibility analysis (rehabilitation) are those required for SAMA plus items numbered 10 and 11. If a stage of processing is omitted, the exhibits for that stage are submitted with those required for the subsequent stage or stages. Information for all stages must be submitted in triplicate. No application will be considered unless it is complete and is accompanied by the requested exhibits (24 C.F.R. 207.1).

**Section A—Self-explanatory.**

**Line 8—**The letters NH refer to Nursing Homes, the letters ICF refer to Intermediate Care Facilities, and the letters BC refer to Board and Care Homes.

**Section B**

**Line 21—**Insert any cost paid or contracted, in addition to the stipulated purchase price. If the site will require demolition expense, or other preparatory expense, this should be indicated and explained on an attached sheet. If the proposed site is leased, indicate the annual dollar amount of the ground rental. All other items in this section are self-explanatory.

## Section C

**Line 27**—Insert the estimated rates to be charged on a monthly basis per bed for the accommodation and service rendered.

**Line 28**—Income for special services and facilities provided occupants at additional charge above base rates when the cost of such service is included in the operating expense estimate. Commercial income, if any, should be recorded here.

## Section D

**Items 32 through 37**—Furnish the total number of employees and the monthly rates for each of the six categories.

**Line 38**—Show the total dollar annual payroll.

**Section E**—The estimate of project expenses shall be based on actual operating experience with comparable projects.

**Line 45**—Total annual tax to cover all items in Tax Section should be shown on this line.

**Line 47**—Sum of the total annual operating expense (Line 39 + Line 45 + Line 46).

## Section F

**Line 2**—Occupancy percentage is estimated from market experience if available; otherwise the sponsor's best estimate.

**Line 6**—Represents the cash return to owner of the real estate as determined from available realty and nonrealty data.

## Section G

**Line 1**—Enter cost for unusual site preparation such as pilings, retaining walls, fill, etc.

**Line 2**—Enter cost of other land improvements such as on-site utilities, landscape work, walks and drives.

**Line 9**—See Uniform System for construction Specifications, Data Filing and Cost Accounting, pages 1.3 and 1.4

**Line 18**—Enter the total average estimated cost per gross square foot of building area (Line H-17 divided by Line 4).

## Carrying Charges and Financing

**Line 20**—Interest is the amount estimated to accrue during the anticipated period of construction. It is computed on one-half of the loan amount based on either replacement cost or value.

**Line 21**—Taxes which accrue during construction period are estimated on a pro rata basis for the construction period. Special assessments, if any, should be estimated on a similar basis and included in the tax amount.

**Line 22**—Insurance includes fire, windstorm, extended coverage, liability, and other risks customarily insured against in the community. It does not include worker's compensation and public liability insurance, which are included in the cost estimate.

**Line 23**—FHA mortgage insurance premium is the amount to be earned during the estimated construction period. The amount should be computed on the requested loan amount on a yearly basis. An additional 0.5 percent is charged for any additional fractional period in excess of each whole year.

**Line 24**—FHA examination fee is computed on the requested loan amount.

**Line 25**—FHA inspection fee is computed on the requested loan amount when the project involves new construction, and on the estimated cost of rehabilitation when the project involves the rehabilitation of an existing structure.

**Line 26**—Financing fee is computed at 2% on the loan amount. It is an initial service charge. This financing fee is not to be confused with discounts.

**Line 27**—(AMPO) is an allowance to make the project operational, computed at 2% of the maximum insurable mortgage amount. It is allowable only in cases involving non-profit mortgagors.

**Line 28**—**FNMA fee**—Enter 1 1/2% of the mortgage amount.

**Line 29**—**Title and Recording Expenses**—This is the cost typically incurred by a mortgagor in connection with a mortgage transaction. This cost generally includes such items as recording fees, mortgage and stamp taxes, cost of survey, and title insurance including all title work involved between initial and final endorsement.

**Lines 31, 32 and 33**—**Legal, Organizational and Cost Certification Fee**—Estimate will be based upon typical cost usually incurred for these services in the area where the project is located. These items should be recorded separately.

**Line 35**—**Consultant Fee**—If any, enter amount to be charged the non-profit sponsor by qualified consultant.

**Line 36**—This line will contain an amount included in the cost for non-realty items in the category of major movable equipment. Public Health Service publication entitled "Construction and Equipment for Hospitals and Medical Facilities," number (HRA) 74-4000 (as revised) shall be used to determine the items to include.

**Line 38**—**Land**—Enter purchase price if purchased from local public authority; otherwise sponsor's estimate of value in finished condition (including off-sites, cuts, fills, drainage, etc.).

## Section H—Total Requirements for Settlement

**Lines 1, 3, 6, 7 and 12**—Self-explanatory.

**Line 2**—Amount required to clear title to site, if land is to be acquired, enter the unpaid balance of the purchase price. If leasehold or if land is owned free and clear, enter word "None."

**Line 4**—Enter principal amount of mortgage requested. (Non-profit sponsors receiving grants add committed amount of grant to the principal mortgage requested.)

**Line 5**—Enter any portion of the Builder's Profit (Line 11) or Architect's Fee—Design (Line 12) to be paid by means other than cash or waived.

**Line 8**—Enter the amount required to meet operating expense and debt service expense from project completion, until the income provides a self-sustaining operation.

**Line 9**—Enter discount charged for placement of permanent and construction mortgage.

**Line 10**—Enter 2% of mortgage amount plus any necessary amount to cover ground rent or special assessments during construction (profit-motivated sponsors only).

**Line 11**—Sponsor's cost of improvements outside property lines such as streets and utilities.

**Line 12**—The initial cost of minor expendable non-realty items such as china, silver, utensils, linens, not included in the mortgage.

**Source of Cash to Meet Requirements**—Enter the Name of each sponsor and his/her dollar investment.

**Section I**—Self-explanatory.

**Section J**—Self-explanatory.

**K. Required Exhibits: Mortgage Insurance for Nursing Homes, Immediate Care Facilities, and Board and Care Homes**

Item Number	Exhibit Title	SAMA or Feasibility	Conditional Commitment	Firm Commitment
1	Location Map	X		
2	Legal Description of the Property	X		
3	Evidence of Permissive Zoning	X		
4	Sketch Plan of the Site	X		
5	Evidence of Site Control (Option or Purchase)	X		
6	Evidence of Last Arms-Length Transaction and Price, including a certification by sponsor that evidence submitted in response to this item reflects last-arms length purchase price	X		
7	Form HUD-92010 – Equal Employment Opportunity Certification	X		
8	Form HUD-3433 – Eligibility as Nonprofit Corporation	X		
9	Form HUD-2530 – Previous Participation Certificate	X		
10	Form HUD-2576-HF – Certificate of Need for Health Facility and Assurance of Enforcement of State Standards or alternate market study in non-CON States	X		
11	Grant and/or Loan Commitment Letter (if applicable)		X	
12	Form HUD-92417 – Personal Financial Statement for Each Sponsor and General Contractor		X	X
13	Personal and Commercial Credit Report for Each Sponsor and General Contractor		X	X
14	Owner/Architect Agreement		X	
15	Architectural Exhibits – Preliminary		X	
16	Architectural Exhibits – Final			X
17	Form HUD-2328 – Contractor's and/or Mortgagor's Cost Breakdown			X
18	Form HUD-92457 - Surveyor's Report and Land Survey			X
19	Management Agreement			X

**For HUD Use Only**

Date Received (mm/dd/yyyy)					
Amount					
Code Schedule					
Received by					