



Section 242 Hospital Mortgage Insurance Program

Pre-Screening Worksheet

Statutory Requirements

Regulatory Requirements

Environmental

Financials

Collateral

Compliance

Financing

Welcome to the HUD Hospital Mortgage Insurance Program's Pre-Screening tool. The tool is designed to enable hospitals, lenders, and consultants to understand the Hospital Program's Statutory and Regulatory requirements, and to provide guidance about your project's eligibility for the Program.

Please enter summary data below. Depending on your responses, you will be asked to answer additional questions to help gauge your project's eligibility for financing through HUD.

For each question, please click on the information icon  for valuable background and guidance.

Hospital Name:

City:

State:

Hospital Type:

☐ For-Profit ☐ Governmental ☐ Not-For-Profit

Hospital Status:

☐ This proposal is for an existing hospital or a replacement facility

☐ This proposal is for a start-up or physician-owned facility

Loan Type:

☐ Section 242 (with Refinancing)

☐ Section 242 (without Refinancing)

☐ Section 241

☐ Section 223(f) (with construction)

☐ Section 223(f) (no construction)



Industry Type:

Please enter your e-mail address:
(optional)

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Proposal Summary

Statutory Requirements

Are 50% or more of the hospital's total patient days attributable to acute care services?

☐ Yes ☐ No

Can you demonstrate the need for this hospital?

☐ Yes ☐ No

Does the hospital have the ability to grant a mortgage, according to organizational or formation documents?

☐ Yes ☐ No

Using Net Book value to approximate the replacement cost of the hospital's net property, plant, and equipment, is the Loan-to-Value (LTV) less than or equal to 90%?

☐ Yes ☐ No

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Proposal Summary ✓	Regulatory Requirements
Statutory Requirements ✓	Does the entity that owns the hospital also operate the hospital? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A
Environmental ✓	If there is a construction component to the project, has construction started? <input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> N/A
Financials ✓	Environmental
Collateral ✓	Is the hospital located in a Floodway or Coastal Barrier? <input type="radio"/> Yes <input type="radio"/> No
Compliance ✓	Financials
Financing ✓	Is the average Debt Service Coverage Ratio (DSCR) for three most recent years greater than or equal to 1.25? <input type="radio"/> Yes <input type="radio"/> No
	Is the three-year aggregate operating margin greater than or equal to 0? <input type="radio"/> Yes <input type="radio"/> No
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Proposal Summary ✓	Regulatory Requirements
Statutory Requirements ✓	Collateral
View Instructions	Is the hospital able to pledge all of its integral operational components to the Lender? <input type="radio"/> Yes <input type="radio"/> No ⓘ
Environmental ✓	Compliance
Financials ✓	Is the Hospital in substantial compliance with federal and state regulations governing the operation and reimbursement of hospitals, including Stark and anti-kickback regulations? <input type="radio"/> Yes <input type="radio"/> No ⓘ
Collateral ✓	Is the hospital accredited by the Joint Commission or does it have "deemed status"? <input type="radio"/> Yes <input type="radio"/> No ⓘ
Compliance ✓	
Financing ✓	
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Proposal Summary ✓	Financing		
Statutory Requirements ✓	If there is a refinancing component to the proposal, was the debt to be refinanced originally used to purchase or construct a capital asset?	<input type="radio"/> Yes <input type="radio"/> No	
	Was the construction funded by the debt to be refinanced through the Hospital Mortgage Insurance Program completed more than 2 years ago?	<input type="radio"/> Yes <input type="radio"/> No	
Environmental ✓	Are there limited comparable affordable financing vehicles available to the Hospital?	<input type="radio"/> Yes <input type="radio"/> No	
Financials ✓	Does the Hospital meet at least three of seven criteria indicating that it has a need to refinance its capital debt?	<input type="radio"/> Yes <input type="radio"/> No	
Collateral ✓	Will the proposed refinancing reduce the Hospital's monthly debt service costs?	<input type="radio"/> Yes <input type="radio"/> No	
Compliance ✓			
Financing ✓			
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