

**Addendum to Underwriting
Narrative – Other Eligible
Existing Indebtedness**
Section 232/223(a)7

**U.S. Department of Housing
and Urban Development**
Office of Residential Care
Facilities

OMB Approval No. 9999-9999
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Public reporting burden for this collection of information is estimated to average 0.5 hours. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation that must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number.

Warning: Any person who knowingly presents a false, fictitious, or fraudulent statement or claim in a matter within the jurisdiction of the U.S. Department of Housing and Urban Development is subject to criminal penalties, civil liability, and administrative sanctions

This addendum is applicable to Section 223(a)(7) proposals that include refinancing of non-HUD-insured loans.

Schedule of Non-HUD-Insured Debt to Refinance

Lender	Payoff Amount
	\$
	\$
	\$
Total:	\$

Key Questions

	Yes	No
1. Is the non-HUD-insured debt to be paid off recorded debt, such as a mechanic’s lien or a tax lien?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the non-HUD-insured debt to be paid off directly connected with the project (i.e., debt incurred to improve the property or cover operating deficits) and supported by documentation from the borrower? (NOTE: The operating debt of the operating entity is not eligible.)	<input type="checkbox"/>	<input type="checkbox"/>
3. Does the HUD lender confirm that all fees associated with the debt are reasonable and any accrued interest is correctly calculated?	<input type="checkbox"/>	<input type="checkbox"/>

The non-HUD-insured debt is only eligible if you answer “yes” to Key Question 1 or 2. Accrued interest or fees associated with that debt are only eligible if you answer “yes” to Key Question 3.

<<For each “yes” answer above, provide a narrative discussion on the topic.>>

General Review

<<Narrative review of debt and payoff information: The narrative must provide full details of the underwriter’s analysis and determination that the debt is allowable per HUD guidelines including what it was for, who it is owed to, etc. (NOTE: Evidence to support the details must

be included in the application package and the underwriter must positively state that the evidence has been evaluated and concludes that it meets HUD guidelines for acceptance.)>>