

Request for Prepayment of Section 202 or 202/8 Project

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

OMB Approval No. 2502-0554
(Exp.4/30/2021)

Public reporting burden for this collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. This information is required to obtain is required to obtain benefits and is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

General authority for the prepayment of a Section 202 Direct Loan is provided by Section 811 of the American Homeownership and Economic Opportunity (AHEO) Act of 2000, as amended by the Section 202 Supportive Housing for the Elderly Act of 2010 (Public Law 111-372) signed into law on January 4, 2011, and by the regulations at 24 CFR Part 891.530. This information collection sets forth the information that must be reviewed and approved by HUD in order to approve prepayment of a Section 202 or Section 202/8 Direct Loan. HUD review will ensure the continued operation of the project, for 20 years beyond the original maturity date of the loan, in a manner that will provide rental housing for the elderly and individuals with disabilities on terms at least as advantageous to existing and future tenants as the terms required by the original Section 202 loan agreement. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to Freedom of Information Act requests.

Instructions:

The owner must submit this form or similar format along with the following documents:

- (A) A copy of: (1) the mortgage and mortgage note; (2) the original Housing Assistance Payment Contract; (3) Regulatory Agreement; (4) tenant notification; (5) all tenant comments and the Owner's written evaluation of the comments; (5) certification by the owner that they have met all tenant notification requirements of the regulations; and (6) any other use agreements/use restrictions, subordinate mortgages/loans that may be in place.
- (B) List of households currently residing in Section 8 or Rent Supplement assisted units.
- (C) List of any commercial renters/leases, vendors that may be in place.
- (D) If applicable, statement regarding application for FHA mortgage insurance or Risk Sharing Program.
- (E) Additional documents if HUD must approve the prepayment.
 - (1) A detailed narrative explaining why the proposal is advantageous to the tenants.
 - (2) A detailed narrative justifying the future use of the full rental assistance currently being provided to the project.
 - (3) Draft copy of the Use Agreement that will be recorded at the time of prepayment.
 - (4) If a refinance is part of the prepayment where debt service savings are anticipated, a copy of the Sources and Uses; evidence demonstrating a lower interest rate and lower debt service payment after the refinance.
 - (5) If a refinance of a loan with an original interest rate of six percent or less with no anticipated debt service savings is part of the prepayment, a Project Capital Needs Assessment or architectural plans and specifications demonstrating the physical needs of the project.

1. Project Number: [EH/SH Number]	2. Project Name:	3. Project Address: (include street address, city, state, and zip code)	4. Total Number of Units in the Project:
5. Office Telephone Number:		6. Office Contact Person:	7. Borrower's Name:
8. Borrower's Address: (if different from project address)		9. Contact Person: (indicate if different from item 5 above)	
10. Estimated Payoff Amount: \$		11. Planned Payoff Date:	

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<p>12. The subject project has a project-based Section 8 Contract or Rent Supplement Assistance.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>13. Section 8 HAP Contract Number:</p>	<p>14. Total Number of Section 8 Units:</p>	<p>15. Total Units of Rent Supplement Units:</p>
<p>16. Manager's Unit?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>17. Annual Budget: (check one)</p> <p><input type="checkbox"/> Budget-Based <input type="checkbox"/> Annual Adjustment Factor (AAF)</p>		
<p>19. Amount of Residual Receipts:</p> <p>\$ _____</p> <p>Revert to HUD? <input type="checkbox"/> Yes <input type="checkbox"/> No (Check 202 Regulatory Agreement/HAP contract)</p>		<p>20. Amount of Replacement Reserves:</p> <p>\$ _____</p>	
<p>21. Outstanding Flexible Subsidy Loan?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, enter estimated amount:</p> <p>\$ _____</p>	<p>22. Outstanding HELP Loan?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, enter estimated amount:</p> <p>\$ _____</p>	<p>23. Other Outstanding Debt?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, enter estimated amount:</p> <p>\$ _____</p>	
<p>24. Check one and answer "Yes" or "No"</p> <p><input type="checkbox"/> FHA OR <input type="checkbox"/> Risk Sharing Mortgage Application to be submitted for refinancing? <input type="checkbox"/> Yes <input type="checkbox"/> No (See Section IXI of HUD Notice H 2013-17)</p>			
<p>25. The owner agrees to schedule a meeting to provide the prepayment information (including covenant, where applicable) in writing to the heads of household residing in the project as of the date of the meeting and afford the tenants an opportunity to comment. _____ (planned date of meeting). The owner also agrees to make the Use Agreement (where applicable) part of the application package for all potential future tenants of the project.</p>			
<p>26. The Mortgage note (check one):</p> <p><input type="checkbox"/> allows prepayment with 30-days notice (Hub/PC approval) or <input type="checkbox"/> allows prepayment with approval of HUD. (Copy of Mortgage Note).</p>			
<p><i>The remaining items only apply where the prepayment requires HUD's approval or where the Owner chooses to prepay under the requirements of Section 811 and Notice H 2013-17.</i></p>			
<p>27. Statement 1: Reasons for prepayment</p>			
<p>28. Statement 2: How will the prepayment be advantageous to the residents?</p>			
<p>29. Statement 3: Provide full justification for future use of total rental assistance currently being provided to the project. Owner agrees to renew HAP contract for a 20-year term subject to sufficient appropriations.</p>			
<p>30. Statement 4: Provide full justification for use of the project's residual receipts, consistent with the requirements of HUD Notice H 2013-17, Section V(M) and Notice H 2012-14.</p>			

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31. Statement 5: Provide full justification for use of reserve for replacement funds, currently escrowed for the project, consistent with the requirements of Notice H 2013-17, Section V (M).

32. If the prepayment involves a refinance, list the approved uses of loan proceeds from the refinance in accordance with the requirements of Notice H 2013-17, Section VII (B).

33. If the Section 202 Direct Loan has a current interest rate of 6 percent or less, and the prepayment involves a refinance, provide documentation that the refinance will address the physical needs of the project consistent with the requirements of Notice H 2013-17, Section VIII.

34. The owner agrees to maintain the project under the current ownership entity or by a for-profit limited partnership the sole general partner of which is the project owner or a corporation wholly owned and controlled by the current owner.

35. The owner has attached a draft Use Agreement, as set forth in Attachment 1 of Notice H 2013-17. for review and agrees to provide evidence of the approved Use Agreement's recordation at or before final payoff or refinance via prepayment, whichever is sooner, of the Section 202 or 202/8 Direct Loan.

Owner Name: 	By: President: Date:	By: Secretary: Date:
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