
FEE AND PREMIUM CHARGES	RATE PER \$1,000
1. APPLICATION FEE - Code 7: An amount stated in application for SAMA; with application.....	\$1.00 1/2/
Exception 1: Applications applicable to Section 242 cases. An amount stated in application for conditional commitment, with application.....	
	\$1.50 1/2/
Exception 2: Application, applicable to Section 232(i). Based on amount of fire safety equipment loan applied for.....	
	\$2.00 3/
a. For investor projects, see 2.a. below.	
b. For increase in application, fee is based on the amount of increase requested.	
c. For refinancing transactions, see 2.e. below.	
2. COMMITMENT FEE - Code 1: Conditional Commitment - An amount stated in application for conditional commitment, less SAMA application fee previously received, if any; with application (not applicable to Section 242 cases) (see application fee above).....	\$2.00 1/2/
Firm Commitment - An amount stated in application for firm commitment, less application and conditional commitment fees received, if any; with application(s).....	
	\$3.00 1/2/
Exception 1: Commitments under Section 232(i), fire safety equipment loan insurance ..	
	\$4.00 3/
a. For investor projects, application and commitment fees are based on the commitment amount applicable to the owner of a management project.	
b. No commitment fee is due in connection with applications covering AEC properties, i.e., properties sold by the Government, pursuant to the Atomic Energy Community Act of 1955, as amended.	
c. For increase in commitment, application and commitment fees are based on the amount of the increase requested.	

RATE PER \$1,000

- d. When a commitment is reissued, the term of the commitment will be for a period of at least 30 days, or such further period as estimated by the Director to permit closing.
 - e. Refinancing - application and commitment fees are based on \$3 per thousand dollars of the amount of the application for commitment for the refinancing transaction.
 - f. In connection with a loan to cover operating losses occurring during the first 2 years following completion of the project, a combined application and commitment fee of \$3 per thousand dollars of the amount of the loan applied for shall be submitted with the application for commitment.
 - g. For special fee required for Title XI transactions, see section 7 of this Appendix.
3. INSPECTION FEE - Code 6: Based on amount of commitment, due prior to the beginning of construction if commitment is to insure upon completion, or if advances are to be insured upon initial endorsement or prior to the beginning of construction, whichever is earlier \$5.00 1/2/3/
- a. Inspection fee for Title VII projects is \$2 per \$1,000.
 - b. There is no inspection fee for Section 213 sales projects.
 - c. There is no inspection fee for AEC properties.
 - d. For investor projects, fee is based on the amount committed to the purchasing cooperative. No additional fee is required when converted to a management project.

- e. In instances when the amount of commitment is reduced before the start of construction, the amount of the inspection fee should be based on the decreased amount of the commitment. If the commitment is decreased after construction has started, the amount of the inspection fee is determined on the amount of the commitment before the decrease. See paragraph 1-11 of this handbook. An inspection fee must be collected to cover any increase in the amount of commitment or mortgage during construction and prior to final endorsement, except transfers from Section 213 investor projects to Section 221(d)(3).
- f. For existing properties, the inspection fee is based on the amount of rehabilitation work involved. The method of computation is as follows:
 - (1) Add together the amounts shown on line 6(a) and 6(b) of Form FHA-2264A or line 7(a) and 7(b) on Form FHA-2264C.
 - (2) Round the result to the next higher multiple of \$100 and compute the inspection fee at \$5 per \$1,000 on the resulting amount.

Show the following information on the official receipt for inspection fees collected under this method: (a) the suffix "EC" (for existing construction), as a part of the project number; and (b) the following legend in the space at the left of the address panel: "Total est. cost of new on- and offsite work: \$____."

- g. No inspection fee is required in connection with a loan to cover operating losses occurring during the first 2 years following completion of the project. (See 207.1(f)(3) of the HUD regulations.)
- h. No inspection fee is required for that part of a Section 241 supplemental loan for "non-realty" equipment when the original mortgage was insured under Section 232, nursing homes; or 1101, group practice facilities.

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- i. The inspection fee for repairs on 207/223(f) projects is the greater of \$30 per unit or 1 percent of the estimated cost of repairs.
 - j. The inspection fee for repairs on 232/223(f) is 1 percent of the estimated cost of repairs.
4. INSURANCE PREMIUM - Code 2: Based on amount insured \$5.00
- a. At the time of sale of an investor project, collect \$5 per \$1,000 of purchasing cooperative's mortgage for the period from date of insurance to 1 year following first principal payment date. Mortgage Insurance Accounting and Servicing will adjust the premium previously paid for the investor project.
 - * b. The first premium due on a Section 207/223(f), * 232(i) fire safety equipment or 238(c) project will be 1 percent of the original face amount of the mortgage, to be paid at endorsement.
 - c. For mortgages insured by the Department of Health and Human Services (HHS) under Title VII of the Health Services Act, the insurance premium will be applied to that portion of the mortgage not guaranteed by HHS.
5. REOPENING FEE - Code 6: Based on amount of an expired conditional commitment or an expired firm commitment when application is received within 90 days of expiration, payable with application for reopening \$0.50 3/
- Section 232(i) an expired commitment may be reopened if a request for reopening is received by the Commissioner within 10 days of the expiration of the Commitment.
6. TRANSFER FEE - Code 6: Based on the original face amount of the mortgage in all cases involving the transfer of physical assets and in all substitution of mortgagor cases; with application \$0.50

RATE PER \$1,000

A transfer fee is not required in a case involving a

substitution of mortgagor when both parties to the transaction are nonprofit corporations or organizations.

7. PRELIMINARY ANALYSIS FEE - Code 7: A fee of \$400 for each Title XI group practice facilities project will be submitted to the Field Office with Form 2013-GP 1, Request for Preliminary Analysis. An official receipt will be prepared on Form HUD-27038 and the remittance scheduled for deposit as a suspense item on Form HUD-3416, Schedule of Project Collections, showing project number, name, and location. The fee will be transferred by Mortgage Insurance Accounting to the Department of Health and Human Services.

NOTES

- 1/ For Section 234 projects only, the combined application, commitment and inspection fees shall aggregate no less than the following amounts: (a) \$50 per dwelling unit, in a case involving new construction, and (b) \$40 per dwelling unit, in a case involving rehabilitation.

When the combined application, commitment and inspection fees result in an amount less than \$50 or \$40 per dwelling unit, as applicable, the additional amount shall be collected with the commitment fee and made a part thereof. For example, assume a \$500,000 mortgage involving new construction consisting of 100 units. The combined application, commitment and inspection fee would be \$8 per \$1,000 or \$4,000, as follows: application fee, \$500; commitment fees, \$1,000; and inspection fee, \$2,500. The combined fee based on \$50 per dwelling units would be \$5,000. The additional \$1,000 would be collected with the

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Appendix 3

commitment fees and the official receipt noted in the space at the left of the address panel as follows: "Fee based on 100 units." (Note: The combined fees will, of course, be less than \$8 per \$1,000 when the inspection fee is based on the total estimated cost of new on- and offsite work as prescribed in Section 3.f. of this Appendix.)

- 2/ No application, commitment or inspection fees are

required in connection with the insurance of a mortgage to finance the purchase of a Secretary-held multifamily property except for two multifamily programs. Application, commitment and inspection fees are to be collected for Section 242 (Hospitals) and Title XI (Group Practice Facilities). Enter the following notation on the "no money" official receipt in the space to the left of the address panel: "Secretary-held property sold."

- 3/ For Section 232(i) projects only an application fee of \$2 per \$1,000 of the loan amount applied for, and a commitment fee of \$2 per \$1,000 which, when added to the application fee will total \$4 per \$1,000 of the amount of the loan set forth in the commitment (with a minimum of \$50 total for both fees) are required. The minimum inspection fee shall be \$50 paid prior to the date construction is begun, except that in no case shall the combined total of the application, commitment, reopening and inspection fees exceed 1 percent of the original principal face amount of the loan.