

## DEFINITIONS

## 1. CONSTRUCTION

The term construction includes projects for the construction of new buildings, and additions, expansion, remodeling, and alteration of existing buildings, and initial equipment of any such buildings (including medical transportation facilities).

A hospital complex of more than one individual building is eligible for consideration, provided the entire complex is under the one HUD-FHA insured mortgage.

## 2. REHABILITATION

In the HUD-FHA insured program the term "rehabilitation" includes:

- a. ADDITION TO EXISTING FACILITIES. Projects for additions are those which consist of additions to eligible facilities.
- b. MODERNIZATION. The term modernization includes replacement, major repair, remodeling, alteration, and renovation of buildings which are functionally or structurally obsolete (including initial equipment) and replacement of obsolete built-in equipment of existing buildings.
- c. REPLACEMENT. The term replacement means the replacement of an obsolete hospital or any portion thereof, on the same site or in the same service area. In the FHA program, replacement of the entire facility will be treated as a new facility.
- d. MAJOR REPAIR. Projects for major repair are those which consist of repairs to an existing building, excluding maintenance, which restore the building to a sound state.

When a project involves rehabilitation, the addition, or remodeled, altered or renovated building shall comply with the safety requirements (fire, structural, electrical, etc.) of the General Standards, PHS Publication No. 930-A-7, and applicable State and local codes. The safety provisions will apply only to the addition, or that portion or wing of the existing building which is being rehabilitated except that a fire wall extending the full height of the building shall be used to separate the remaining areas of the existing building which do not conform to the safety provisions of the General Standards.

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DEFINITIONS (Continued)

3. NONPROFIT

The term "nonprofit" as applied to any facility means a facility which is owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

4. TITLE

The term "title" when used with reference to a site for a project, means a fee simple, an option to purchase, or a leasehold interest for not less than 50 years from the date the mortgage is executed, or a 99 year renewable lease.

5. SITE

The site is the tract or plot of land on which the facility is or will be located and which is defined in the approved application.

6. STATE AGENCY

The single State agency designated for the administration of the Hill-Burton program, including the formulation and revision of the State plan for health facility construction.

7. FIXED EQUIPMENT

Any major equipment fixed to or any integral part of the building structure (this is realty equipment under HUD-FHA).

8. MOVABLE EQUIPMENT

Readily movable major items not fixed to the building structure (non-realty equipment under HUD-FHA).

9. PROPRIETARY FACILITY

The term "proprietary" as applied to any facility means a facility which is owned and operated by a corporation, partnership, trust, individual or any other qualified legal entity which is licensed and regulated by the State and is not a nonprofit corporation.