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| **Prepayment and Requests for Insurance Termination Checklist**  Section 232 | **U.S. Department of Housing and**  **Urban Development**  Office of Residential Care Facilities |

**Warning:** Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

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| **Project Name:** |
| **Project Number:** |
| **Applicant Name:** |

**SUBMISSION REQUIREMENTS:**

* This form should only be used for submission of **Prepayment and Requests for Insurance Termination**.The Lender must notify HUD in writing when Borrowers wish to terminate their FHA-insured loan by prepayment (see *Section 232 Handbook 4232.1, Section III Asset Management, Chapter 3.3 Prepayment Provisions and Prohibitions* for further description of these requirements*)*.
* Please carefully review Sections I, II and III of the checklist to determine which documents must be submitted for the given transaction.
* Lender shall transmit the checklist documents via the HUD Healthcare Portal (link [here](https://www.hud232portal.com/)). In the Portal, select *Asset Management > Project Request Form > Prepayment and Requests for Mortgage Termination*. A prepayment request through the Portal may only be submitted for one property (FHA Number) at a time.
* It is **critical** that you name each file according to the naming convention provided in the checklist **highlighted in green.** These highlighted numbers are important codes that “guide” the Portal system to recognize the type of transaction submitted, section number of the checklist, and the identity of the document. Therefore, appropriate file names for this submission package would include **99901-a\_Lender’s Narrative [OR] 99901-a\_LendersNarrative [OR] 99901-a\_LNarrative.** In all three examples, the critically important portion of the file name is the five-digit number, dash, letter, and underscore that have been highlighted in green on the checklist. Do not use the following characters in your file names: Less than: (<), Greater than: (>), Colon: (:), Double quote: ("), Forward slash: (/), Backslash: (\), Vertical bar or pipe: (|), Question mark: (?), Asterisk: (\*).

| **No.** | **Item** | **Incl.** | **N/A** |
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| **Section I: PREPAYMENT** | | | |
|  | **92601-a\_**Copy of completed **Prepayment and Requests for Insurance Termination Checklist** |  |  |
|  | **92602-a\_**Form HUD-9807-ORCF (*with blocks 1,2,3,4,and 6 through 17 completed)*  Link to [Form HUD-9807-ORCF](https://www.hud.gov/sites/dfiles/OCHCO/documents/9807_orcf.docx) |  |  |
|  | Mortgage Note   1. **92603-a\_**Copy of Current Finally Endorsed Note 2. **92603-b\_**Copy of Allonges and any prior Modifications to Endorsed Note |  |  |
|  | **92604-a\_**Supplemental Notes *(if applicable)* |  |  |
|  | **92605-a\_**Recorded copy of Mortgage Instrument (*including any prior modifications)* |  |  |
|  | **92606-a\_**Mortgage Prepayment Rider |  |  |
|  | **92607-a\_**Trust Indenture *(applicable if the project is bond financed)* |  |  |
| **Section II: LENDER CONFIRMATION** | | | |
|  | **92608-a\_**Statement from FHA Lender regarding status of Master Lease before and after payoff. *This only applies if the project paying off is part of a Master Lease.*  Additionally, please check the applicable box below:  When the subject project prepays, one or more projects will remain on the Master Lease. Please submit the documents in Section III of this checklist.  When the subject project prepays, one project in the Master Lease will remain FHA-insured but the Master Lease will be terminating. Please submit ***Master Lease Termination***checklist.  Date ***Master Lease Termination Checklist*** was submitted to 232 Portal: MM/DD/YYYY  When the subject project prepays, no projects in the Master Lease will remain FHA-insured and the Master Lease is being terminated. Master Lease termination documents do not need to be submitted, however, the Termination and Release of Cross-Default Guaranty of Subtenants (HUD-92341-ORCF) may be submitted for HUD review and signature under #16 below.  **92608-b**\_Statement from AR Lender regarding status of AR Line before and after payoff.  Statement should include confirmation that AR line is not in default and removal of prepaying project will not trigger a default under AR loan documents. Additionally, statement must include a list of FHA projects remaining on the AR line after payoff. Pleaseinclude Project Name, FHA Number, Operator Name and FHA Lender.  *This only applies if the prepaying project has AR financing on an AR Line shared with Operators of other FHA-insured projects.*  If project paying off is on an AR line with other FHA projects, please provide date by which project paying off will be removed from the AR line: MM/DD/YYYY |  |  |
| **Section III: RELEASE/AMEND MASTER LEASE** | | | |
| **9.** | **92609-a\_**Written Request from Master Tenant and-or Operator for Release of Prepaying Project  As required by Section 5(3) of the Master Lease Subordination [, Non-Disturbance and Attornment] Agreement (HUD-92333-ORCF) |  |  |
| **10.** | **92610-a\_**Mortgagee Letter of Recommendation and Consent  Must include the following:   * List of projects on the Master Lease * Identify which projects are being released * Identify section of the Master Lease where the requirements are stated that a project can be released from the group * Recommendation and consent to release the prepaying projects from the Master Lease |  |  |
| **11.** | **92611-a\_**Master Lease Analysis  Include trailing 12-month (T-12) DSCR for all properties currently on the Master Lease and provide T-12 showing only properties remaining on Master Lease to ensure remaining properties have 1.45 DSCR after payoff. |  |  |
| **12.** | Master Lease and Master Lease Addendum   1. **92612-a\_**Copy of the Master Lease and Master Lease Addendum (HUD-92211-ORCF), including all amendments 2. **92612-b\_**Draft Amendment to HUD Master Lease   SeeAmendment to HUD Master Lease (Partial Termination and Release) (HUD 92342-ORCF) for sample language   1. **92612-c\_**Draft Master Tenant Estoppel Certificate (HUD-92339-ORCF)   After the issuance of the Preliminary Approval Letter, one Estoppel Certificate will be required for each project remaining under the Master Lease |  |  |
|  | Cross Default Guaranty of Subtenants   1. **92613-a\_**Copy of Cross Default Guaranty of Subtenants (HUD-92331-ORCF) *(if applicable)*   b **92613-b\_**Draft Amendment to Cross-Default Guaranty of Subtenants |  |  |
|  | Recorded Memorandum of Master Lease   1. **92614-a\_**Copy of Recorded Memorandum of Master Lease 2. **92614-b\_**Draft Amendment to Memorandum of Master Lease   Please submit only if Memorandum of Master Lease covers more than one project. HUD Counsel must review to ensure ONLY the prepaying project is being removed. |  |  |
|  | Recorded Master Tenant UCC-1 Financing Statements, County and State   1. **92615-a\_**Copy of Recorded Master Tenant UCC-1 Financing Statements, as amended 2. **92615-b\_**Draft Master Tenant UCC-3 Financing Statements   Please submit only if UCC-1 covers more than one project. HUD Counsel must review to ensure ONLY the prepaying project is being removed. |  |  |
|  | Recorded Master Lease Subordination [Non-Disturbance and Attornment] Agreement   1. **92616-a\_**Copy of Recorded Master Lease Subordination [Non-Disturbance and Attornment] Agreement (HUD-92333-ORCF) 2. **92616-b\_**Draft Amendment to Master Lease Subordination [Non-Disturbance and Attornment] Agreement   Please submit only if SNDA covers more than one project. HUD Counsel must review to ensure ONLY the prepaying project is being removed. |  |  |
|  | **92617-a\_**Other  When uploading, please clearly identify what the document is ***after the prefix*** “91422-a\_Other”. For example: 91422-a\_Other\_***Master\_Tenant Regulatory Agreement*** |  |  |