



## EMAIL NEWS ALERT

FHA financing provides a distinct advantage for Section 202 Direct Loans

Eastern Mortgage Capital provides financing for Section 202 Direct Loans to enable the project to obtain funds for needed repairs, capital improvements and additional services.

HUD recently revamped FHA's finance programs to facilitate recapitalizing these properties with provisions available **only through the FHA finance programs.**

- Underwriting is at Section 8 Contract Rents - even if they are above market rents. (*State Agencies using FHA Risk-sharing must still use the lesser of Section 8 Rents or market levels*)
- Replacement Reserve Funds may be used for third party reports such as appraisal, physical needs assessment or other reports applicable to the Section 223(f) refinance program.
- Section 223(f) loan terms are revised to allow for loans up to 90% of value.
- Appraisers can use a band of investment approach in determining value, which results in higher property values.

Eastern Mortgage Capital is a direct HUD MAP approved Lender offering the full range of FHA financing programs. The company is a division of Eastern Bank, a \$6.5 billion full service banking company that has been an FHA Lender since 1950.

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