Appendix 12A

Prepayment Flowchart

"Eligible Low-Income Housing":
- Owners may unilaterally prepay mortgage without prior HUD approval.

"Non-Eligible Low-Income Housing":
- Owners may only prepay in accordance with the terms of applicable statutes, their promissory notes, and their regulatory agreements.
- If such terms require HUD approval, then prepayment is subject to standards and procedures of Section 250 of the National Housing Act (12 U.S.C. §1715z-15)

*Project may not be "eligible low-income housing" if: 1) currently owned by nonprofit, 2) originally developed by nonprofit but sold to profit-motivated owner after Sept. 1980, 3) has current Rent Supplement contract, OR 4) received Flexible Subsidy assistance after Dec. 1979.