

Long-term, fixed-rate financing for currently HUD insured senior housing / healthcare facilities.

LOAN PARAMETERS				
Property Type	Maximum Loan to Value	Minimum Debt Service Coverage ⁽¹⁾	Minimum Loan to Refinance Cost	Maximum Cash-Out
For-Profit	Not Applicable; Limited to the Original Principal Amount	1.11x	100%	Not Permitted
Not-For-Profit	Not Applicable; Limited to the Original Principal Amount	1.11x	100%	Not Permitted

⁽¹⁾ Contact Hudson for Projects that have a debt service coverage below this amount as they may still be eligible to be refinanced.

Eligible Properties	Existing HUD insured Skilled Nursing, Assisted Living, Intermediate Care, and Board and Care facilities.
Eligible Borrowers	Single-asset; special purpose entity (can be either for-profit or not-for-profit).
Secondary Financing	Governed by the Section of the Act of the current underlying insured mortgage.
Loan Term	Fully amortizing; The term will be the remaining term on the existing FHA mortgage or an extension of up to 12 years can be requested. No loan can exceed the original term or 75% of the remaining economic life of the project.
Interest Rate	Fixed, subject to market conditions. The interest rate will be locked after issuance of a Firm Commitment by HUD.
Mortgage Insurance (MIP)	The initial mortgage insurance premium is 0.50% of the mortgage amount. Mortgageable and paid at closing. Thereafter 0.55% annually, payable in monthly installments. (Qualifying LIHTC properties have an initial mortgage insurance premium of 0.50% and thereafter 0.45% annually. Green/Energy Efficient properties have both an initial insurance premium and ongoing annual deposits of 0.25%).
Application Fee	0.30% of the mortgage amount, however, the lender can request a refund of ½ the application fee after closing.
Inspection Fee	Not applicable.
Prepayment	Prepayment provisions negotiable, generally subject to lockout period and declining penalties.
Recourse	Non-Recourse subject to carve-outs for fraud and misrepresentation. Assumable; subject to HUD & Lender approval.
Timing	Typical timeline is 4-5 months from Engagement to Closing: (1) 45-60 days to Submit Application; (2) 30-45 days to HUD issuance of a Firm Commitment; (3) 30-45 days to Final Endorsement/Closing.
Third Party Reports	Project Capital Needs Assessment (PCNA) if last PCNA is over 10 years old or requesting a term extension.
Repairs	Repairs are permitted as long as they do not exceed 15% of the project's value after completion or two or more building components are not being substantially replaced.
Reserve for Replacement	The existing replacement reserve balance will be utilized in the new mortgage loan and analyzed for sufficiency based on the PCNA during loan underwriting (if applicable). Ongoing annual deposits to the reserve for replacement are required and will be the greater of the current per unit per annum deposit or as identified in the PCNA during loan underwriting.
Escrows	Real estate taxes, property insurance, MIP, replacement reserves. Escrow payments collected monthly.
Change of Ownership	If there is a change in ownership, principals or entities with 25% ownership, key decision makers and financial control, a mortgage credit review will be required.
Professional Liability Insurance	Professional liability coverage will be required in a minimum amount of \$1 million per occurrence, \$3 million aggregate with a maximum per-occurrence deductible of \$25,000.