

Long-term, fixed-rate financing for acquisition or refinance of existing senior housing / healthcare facilities.

LOAN PARAMETERS				
Property Type	Maximum Loan to Value	Minimum Debt Service Coverage	Minimum Loan to Refinance Cost	Maximum Loan to Acquisition Cost
For-Profit	80%	1.45x	100%	85%
Not-For-Profit	85%	1.45x	100%	90%

Eligible Properties	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).
Independent Living Units	Allowable up to 25% of the total units/beds of the project.
Commercial Space	Limited to 20% of gross floor area and 20% of gross project income.
Three Year Rule	Projects are ineligible if the property was constructed within three years of application.
Experience	Borrowers, Operators, and Management Agents must have at least three years of "like-kind" experience. (HUD experience strongly preferred).
Secondary Financing	Allowable up to 92.5% of value, subject to FHA criteria. Must be in the form of a surplus cash note.
Loan Term	Fully amortizing; Maximum of 35 years or 75% of the remaining economic life of the property.
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 1.00% of the mortgage amount. Mortgageable and paid at closing. Thereafter 0.65% annually, payable in monthly installments. (Qualifying LIHTC properties have an initial mortgage insurance premium of 1.00% 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% (Projects located in an Opportunity Zone: 0.20%).
Inspection Fee	If repairs are equal or less than \$3,000 per bed, the fee is \$30 per bed. If repairs are greater than \$3,000 per bed, the fee is 1% of the total cost of repairs.
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 6-7 months from Engagement to Initial Endorsement: (1) 45-60 days to Submit Application, (2) 45-60 days to HUD issuance of a Firm Commitment, (3) 45-60 days to Final Endorsement/Closing.
Third Party Reports	Appraisal, Environmental, Radon, and Project Capital Needs Assessment.
Equity Takeout	No equity take-out permitted for this program.
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	An initial deposit will be required at closing, which can be capitalized in the mortgage loan. Ongoing monthly deposits will be required in order to maintain a minimum balance of \$1,000 per unit for 15 years. The initial and on-going deposits will be determined by a project capital needs assessment during loan underwriting.
Escrows	Real estate taxes, property insurance, MIP, replacement reserves. Escrow payments collected monthly.
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.