



FHA / HUD Section 232/223(f)

Long-term, fixed-rate financing for acquisition or refinance of existing 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%	80%
Not-For-Profit	85%	1.45x	100%	90%

Eligible Properties Licensed Skilled Nursing, Assisted Living, Intermediate Care, and Board and Care facilities; must provide continuous protective oversight; offer three meals per day; facility must be licensed by state; non-resident day care not to exceed 20% of gross area and 20% of gross income; may include up to 25% non-licensed independent units; three years must have passed since last Certificate of Occupancy was issued; not less than one full bathroom must be provided for every four residents (the bathroom access from any bedroom or sleeping area must not pass through public corridor or area). Commercial space is limited to 20% of net rentable area and 20% of underwritten effective gross income.

Eligible Borrowers Single-asset entity; either for-profit or not-for-profit

Loan Term Fully amortizing; Up to 35-year maximum loan term; Limited to the lesser of 35 years or 75% of estimated useful remaining life

Interest Rate Fixed interest for life of loan; Determined at rate lock based on prevailing market conditions

Mortgage Insurance (MIP) First year: 1%
Thereafter .65% annually (Qualifying LIHTC eligible for lower MIP of 0.45%)

Loan Fees HUD Application fee: 0.3% (Projects located in Opportunity Zone: 0.2%)

Prepayment Prepayment provisions negotiable, generally subject to lockout period and declining penalties.

Recourse Non-Recourse and assumable with HUD approval

Timing Six to Seven months from engagement to closing; (1) 45-60 days to submit application, (2) 45-60 days to Firm Commitment, (3) 45-60 days to closing

Escrows Real estate taxes, property insurance, MIP, replacement reserves; escrow payments collected monthly

Third Party Reports Appraisal, Environmental, Radon, and Capital Needs Assessment

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.

Equity Takeout No equity take-out permitted for this program

Professional Liability Insurance Professional liability coverage will be required in a minimum amount of \$1 million per occurrence, \$3 million aggregate with a maximum deductible of \$25,000

For more information, please contact at.

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