

Refinance of Healthcare/Seniors Housing and Multifamily Properties with Existing HUD-Insured Loans

PURPOSE	Refinance of existing HUD-insured mortgages.
ELIGIBLE PROPERTIES	All existing HUD-insured properties.
BORROWER	Single asset, special purpose entity. Either for-profit or nonprofit.
MAXIMUM LOAN AMOUNT	 The lesser of: a) the original principal amount of the existing HUD-insured mortgage; b) the outstanding principal balance of the existing HUD-insured mortgage plus the cost of required repairs, improvements, outstanding debt incurred in connection with capital improvements (as approved by HUD), prepayment penalties, and loan closing costs; and c) 1.11 DSCR (1.053 for non-profit). * No equity takeout is permitted. ** Other than the above constraints, there are no minimum or maximum loan sizes.
TERM & AMORTIZATION	Current remaining term, or in some cases with HUD approval, the term can be extended back to the original mortgage term.
INTEREST RATE	Fixed-rate, subject to market conditions at the time of rate lock.
MORTGAGE INSURANCE PREMIUM	0.50% payable at closing, 0.55% annually thereafter; 0.25% to 0.45% for affordable and subsidized properties; and 0.25% for Green Certified properties.
RECOURSE	Non-recourse.
ASSUMABILITY	Fully assumable, subject to HUD approval.
PREPAYMENT	Negotiable. Best rates typically have a 1–2-year lockout with a declining prepayment penalty for the remainder of the first 10 years.
THIRD PARTY REPORTS	Project Capital Needs Assessment (PCNA) may be required.
ESCROWS	Escrows for taxes, insurance and mortgage insurance premiums continue to be required.
REPLACEMENT RESERVES	Initial (net of current balance) and monthly deposits required based on long-term physical needs of property.
HUD APPLICATION FEE	\$1.50 per \$1,000 of requested loan amount; half of fee can be refunded after endorsement.

NEWPOINT.COM



This sheet sets out the general guidelines of a loan program and is designed solely as an aid to prospective borrowers and other clients. It does not represent or imply a contract or a commitment to lend funds. A commitment to lend funds may only be made by a written letter issued by NewPoint to a prospective borrower. This term sheet is subject to change at any time without notice at the sole discretion of NewPoint Real Estate Capital LLC. Arizona Commercial real estate broker activities are conducted through NewPoint Real Estate Capital LLC. California Depares No. 01995692, which is a wholly owned subsidiary of NewPoint Real Estate Capital LLC. New York Real Estate Broker Company License No. 10991236549. To view NewPoint's complete licensing information please visit newpoint.com/licensing-disclosures.