

Refinance or Acquisition of Healthcare/Seniors Housing Facilities

PURPOSE	Refinance or acquisition of existing Nursing Homes, Assisted Living, Intermediate Care, and Board & Care facilities.
ELIGIBLE PROJECT	Project must have a minimum of 20 units/beds to be eligible.
ELIGIBLE PROPERTIES	The facility must have received its certificate of occupancy at least 3 years prior to the date of the firm commitment application.
COMMERCIAL SPACE	Eligible for up to 20% of total square footage and 20% of EGI.
BORROWER	Single asset, special purpose entity. Either for-profit or nonprofit.
MAXIMUM LOAN AMOUNT	<p>The lesser of:</p> <ul style="list-style-type: none"> a) 80% of LTV; b) 1.45 DSCR; c) 85% of purchase price; and d) existing debt plus eligible transaction costs. <p><i>* Non-profits can typically add 5% to stated percentages if they agree to the non-profit restrictions.</i> <i>** Other than the above constraints, there are no minimum or maximum loan sizes.</i></p>
TERM & AMORTIZATION	A maximum term of the lesser of 35 years or 75% of remaining economic life; fully amortizing.
INTEREST RATE	Fixed-rate, subject to market conditions at the time of rate lock.
MORTGAGE INSURANCE PREMIUM	<ul style="list-style-type: none"> • 1.0% payable at closing, 0.65% annually thereafter; and • 0.45% for qualifying LIHTC projects; and
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	Appraisal, Phase I, and Property Condition & Needs Assessment (PCNA). Other reports as needed.
ESCROWS	Escrows for taxes, insurance and mortgage insurance premium are required.
REPLACEMENT RESERVES	Initial and monthly deposits required based on long-term physical needs of property.
REPAIRS/IMPROVEMENTS	Cash or a letter of credit for up to 20% of the estimated cost of repairs.
HUD APPLICATION FEE	\$3 per \$1,000 of requested loan amount.

