

<b>PURPOSE</b>	New construction or substantial rehabilitation of skilled nursing, assisted living, intermediate care, and board & care facilities.
<b>COMMERCIAL SPACE</b>	Eligible for up to 10% total square footage and 15% EGI. Adult day care space is included in limitation.
<b>SUBSTANTIAL REHABILITATION</b>	Qualifies as sub-rehab by meeting the following criteria: a) the cost of repairs, replacements, and improvements exceeds 15% of the as completed value; or b) two or more major building components are being substantially replaced.
<b>BORROWER</b>	Single asset, special purpose entity. Either for-profit or nonprofit.
<b>MAXIMUM LOAN AMOUNT</b>	The lesser of: a) 80% of stabilized value for skilled nursing facilities (75% for assisted living); b) 90% of replacement cost; and c) 1.45x DSCR.  <i>* Nonprofits can typically add 5% to stated percentages if they agree to the nonprofit restrictions. ** Other than the above constraints, there are no minimum or maximum loan sizes.</i>
<b>TERM &amp; AMORTIZATION</b>	Interest only during the construction period, plus 40 years fully amortizing.
<b>INTEREST RATE</b>	Fixed-rate, subject to market conditions at the time of rate lock.
<b>MORTGAGE INSURANCE PREMIUM</b>	<ul style="list-style-type: none"> <li>• 1.0% payable at closing, 0.65% annually thereafter;</li> <li>• 0.45% for qualifying LIHTC projects; and</li> </ul>
<b>RECOURSE</b>	Non-recourse during both construction and permanent phases of financing.
<b>ASSUMABILITY</b>	Fully assumable, subject to HUD approval.
<b>PREPAYMENT</b>	Negotiable. Best rates typically have a 1–2-year lockout with a declining prepayment penalty for the remainder of the first 10 years.
<b>THIRD PARTY REPORTS</b>	Market study, appraisal, architectural and costs review, and environmental. Other reports as needed.
<b>ESCROWS</b>	Escrows for debt service, mortgage insurance premium, taxes, insurance, replacement reserves, working capital, operating deficit, and minor moveables are required.
<b>FEDERAL LABOR STANDARDS</b>	Davis-Bacon prevailing wages and reporting requirements.
<b>ASSURANCE OF COMPLETION</b>	Payment and performance bond or cash deposit/letter of credit.
<b>HUD APPLICATION FEE</b>	\$3 per \$1,000 of requested loan amount.
<b>HUD INSPECTION FEE</b>	\$5 per \$1,000 of requested loan amount for new construction; or \$5 per \$1,000 of improvement costs for substantial rehabilitation.

