



HUD Section 232/223(f)

Acquisition and Refinancing of Healthcare and Seniors Housing

OVERVIEW

This program provides non-recourse, assumable financing for the purchase or refinance of existing licensed intermediate or skilled nursing, assisted living, and memory care facilities. An independent living component no greater than 25% of the total units is permissible.

ELIGIBLE PROPERTIES

The facility must have been completed or substantially rehabilitated for at least three years prior to the date of the application. Projects with additions completed less than three years prior are eligible if the addition was not larger than the original project size and number of beds. Commercial space cannot exceed 20% of the gross floor area or gross projected income. Facilities must be licensed and provide continuous protective oversight.

MAXIMUM LOAN

Lesser of the following:

a) 80% LTV

b) 1.45x DSC

c) 100% of eligible Transaction Costs (refinance) or 85% of eligible Acquisition Costs (acquisition)

TERM / AMORTIZATION

Up to 35 Years, Fully Amortizing (minimum of 10 Years)

INTEREST RATE / PREPAYMENT

Fixed for term of loan; locked at receipt of Firm Commitment; based on market conditions at time of rate lock. 0.50% Rate Lock Deposit required but credited at closing.

Prepayment of loan permissible but based on lockout and penalty provisions associated with rate lock for 10 years of call protection (can be a combination of lockout and/or penalty).

MORTGAGE INSURANCE PREMIUM (MIP)

HUD requires an upfront MIP payment and ongoing annual MIP payments. Typically, the upfront is 1.00% of the Loan Amount and the ongoing annual MIP is 0.65% of the outstanding principal balance. Lower levels available for properties that meet affordable and/or green eligibility requirements.

RECOURSE	Non-Recourse with standard carve-outs for Key Principals
ASSUMPTION	Fully assumable subject to HUD approval
ESCROWS	Monthly for Real Estate Taxes, Insurance, and Replacement Reserves
REPAIRS	Permitted but cannot exceed 15% of the appraised value after completion of repairs.
THIRD PARTY REPORTS	Appraisal, Phase I ESA, and Property Capital Needs Assessment (PCNA) required. Additional reports may be required. All thirdparty report fees are the responsibility of the sponsorship; however, all third-party vendors must be engaged by Forbright directly.
LENDER FEES	Forbright charges a nominal processing fee to cover due diligence costs, a Financing Fee as a percentage of the Loan Amount, and fees associated with the cost of Lender's legal counsel.
APPLICATION FEE HUD	requires an Application Fee of 0.30% be submitted with the submission of the Firm Application

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