



ROCKHALL FUNDING

People Backed Lending

Acquisition or Rate and Term Refinance of Assisted Living, Nursing, and Board & Care Facilities FHA Insurance Program Section 232/223(f)

Purpose:	Provides mortgage insurance for the acquisition, refinance and moderate rehabilitation of skilled nursing, intermediate care, board and care, and assisted living facilities. Independent living units comprising less than 25% of the total number of beds or units in a facility are allowed.
Eligible Borrowers:	For profit, not-for-profit, public, and private owners are eligible, as well as for-profit developers leasing long term to for-profit operating groups.
Maximum Term:	35 years or 75% of remaining economic life
Maximum Loan to Value:	Skilled nursing facilities and existing assisted living facilities (including those with some independent living units) allow a maximum LTV of 80% (for profit sponsors) and 85% (nonprofit sponsors). New assisted living facilities allow a maximum LTV of 75% (for profit sponsors) and 80% (nonprofit sponsors).
Debt Service Coverage:	Amount of debt serviced by 69% of NOI (1.45 DSCR)
Personal Liability:	Non-recourse for monetary default
Prepayment:	Typically closed for two years ten prepayable year three at 108% declining 1% per year. Shorter lock-outs are obtainable at a higher interest rate.
FHA Mortgage Insurance:	1% at closing and 0.50% annually for projects without low income housing tax credits and 0.45% for projects with low income housing tax credits.
Secondary Financing:	Permitted in form of cash surplus note or stock pledge note if properly structured
FHA Application Fee:	0.30% of the loan amount due at application
FHA Inspection Fee:	1. \$30 per unit where repairs/improvements are equal to or less than \$3,000 per underwritten bed. 2. 1% of total cost of repairs/improvements where the total cost is greater than \$3,000 per underwritten bed.

Interest Rate: Subject to market conditions, fixed at closing

State Licensure: All facilities must be licensed by the state or other governmental entity that has oversight responsibilities.