



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

Eligible Properties: Refinance or Acquisition and moderate repair/rehabilitation of licensed Assisted Living, Skilled Nursing and Board & Care facilities, nationwide. Independent living units comprising less than 25% of total beds are permissible.

Borrower: Single asset, special purpose entity; for-profit or non-profit

Commercial Space: Limited to 20% of net rentable area and 20% of Effective Gross Income

Term: Up to 35 years based on 75% of remaining useful life

Interest Rate and Amortization: Fixed rate, fully amortizing over term

Personal Liability: Non-recourse subject to fraud and misrepresentation carve-outs

Max Loan Amount: The least of:

1. Loan-to-Value (LTV): For-Profit 80%, Non-Profit 85%
2. Debt service coverage ratio of 1.45
3. For refinance, cost of transaction
4. For acquisition, 85% of acquisition cost
5. Subsidy layering if applicable

HUD Exam Fee: 0.30% of loan

HUD Inspection Fee: \$30/bed for repairs <\$3,000/bed; 1% of repairs for repairs >\$3,000/bed

MIP: Initial 1.0%, Annual - 0.65% Market Rate; 0.45% LIHTC

Debt Seasoning: Debt seasoning of two years generally required, some exceptions are permitted

Third Party Reports: Appraisal, Phase I, Capital Needs Assessment

Escrows: (1) Taxes and insurances; (2) Replacement reserves

Assumability: FHA mortgage is assumable, subject to Lender and HUD approval

Prepayment: Flexible, based on market conditions

Secondary Financing: Allowable, subject to FHA criteria