

# HUD PROGRAM 232/223(F)

Nursing Homes, Assisted Living Facilities, Intermediate Care Facilities, Board & Care Homes

<b>RECOURSE</b>	Fully non-recourse	<b>ELIGIBLE PROPERTIES</b> The facility must have been completed or substantially rehabilitated at least three (3) years prior to the date of the Firm Commitment application.  <b>BORROWER</b> <ul style="list-style-type: none"> <li>Single asset and single purpose entity, either for-profit or non-profit</li> </ul>
<b>LOAN AMOUNT</b>	No limits	
<b>MAXIMUM MORTGAGE LIMITS</b>	The lesser of: (a) 80% LTV (No cash out on healthcare products under FHA insured loans) (b) 100% of transaction costs (refinance); 85% transaction costs (acquisition) (c) 1.45 DSCR (d) Proceeds may fund renovations, repairs and eligible closing costs	
<b>INTEREST RATE</b>	Fixed rate determined by market conditions at the time of rate lock.	
<b>AMORTIZATION &amp; TERM</b>	A maximum of 35 years fully amortizing.	
<b>FHA EXAM FEE</b>	\$3 per thousand of requested loan amount.	
<b>MORTGAGE INSURANCE PREMIUM</b>	1.00% payable at closing, 0.45% - 0.65% annually, MIP determined by project type, e.g. Affordable or Market Rate.	
<b>ESCROWS</b>	Escrows for taxes, insurance, & mortgage insurance premium are required.	
<b>REPLACEMENT RESERVES</b>	Initial and monthly deposits required based on long term physical needs as determined by an engineering report.	
<b>REPAIR ESCROW</b>	Cash or letter of credit for up to 20% of the estimated cost of repairs.	
<b>SECONDARY FINANCING</b>	Permitted under certain conditions at closing.	
<b>PROFESSIONAL LIABILITY INSURANCE</b>	Minimum \$1,000,000 per occurrence / \$3,000,000 aggregate coverage for operators/managers. Deductible may not exceed \$25,000.	
<b>COMMERCIAL SPACE</b>	Permitted up to 20% of Gross Floor Area and 20% of Effective Gross Income.	
<b>ASSUMABLE</b>	Yes, upon HUD approval and transfer fee of 0.05% of original mortgage.	