

Harborview Healthcare FHA/HUD Section 232/227(A)(7) Skilled Nursing and Assisted Living Facilities

Eligible Properties	All properties that currently have HUD insured loans
Loan Amount	Loan may be increased to original principal balance when first insured; no equity takeout is permitted under Section 223(a)(7)
Recourse	Non-recourse
Interest Rate	Fixed for term of loan, determined by market conditions at the time of rate lock (Rate lock deposit is 1% and refunded at closing)
Loan Parameters	Maximum loan amount will be the lesser of: a) The original principal balance of the loan b) The unpaid principal balance of the existing loan plus transaction costs and funds requested for repairs; or c) The amount that achieves a 1.11 times debt service coverage ratio
Term and Amortization	Shorter of: a) The remaining term plus 12 years; b) Original mortgage term
Prepayment and Assumption	Negotiable with best pricing for 10 years of call protection (can be a combination of lockout and/or penalty); subject to HUD approval, loan is fully assumable
Escrows	a) Taxes and Insurance are escrowed monthly b) Replacement reserve required and the monthly deposit amount determined in accordance with HUD guidelines; the minimum reserve for replacement deposit is \$250 per unit per year or such higher amount as determined by the PCNA
Mortgage Insurance Premium	.50% due to HUD at closing and .55% annually thereafter, escrowed monthly
HUD Application Fee	30 basis points (\$1.50 per \$1,000) on requested loan amount
Third Party Reports	PCNA will be required if more than 5 years have passed since construction or the last CNA
Timeline	Typical firm application is submitted within 30 days of engagement; HUD then has a target of 60 days to issue Firm Commitment; closing normally occurs 30 days thereafter