



Refinance or Purchase of Skilled Nursing and Assisted Living Facilities

ELIGIBLE PROPERTIES:	Skilled nursing assisted living, intermediate care and board and care facilities, or any combination thereof which are at least 3 years old from the date of initial occupancy. Moderate rehabilitation is permitted.
LOAN TYPE:	Permanent loan.
MAXIMUM LOAN:	The lesser of the following criteria: 1. 85% of HUD appraised value; 2. 1.17 debt service coverage. Refinance Transaction: 3. The existing indebtedness plus transaction costs. Purchase Transaction: 4. 85% of the cost of acquisition.
INTEREST RATES:	Fixed rate determined by market rates at the time of rate lock.
AMORTIZATION:	Up to 35-year, fully amortizing loan.
PERSONAL RECOURSE:	Non-recourse.
ASSUMABILITY:	Assumable, subject to CWCapital approval.
SUBORDINATE FINANCING:	Allowable, subject to HUD criteria.
PROFESSIONAL AND GENERAL LIABILITY INSURANCE:	Required.
ANNUAL MORTGAGE INSURANCE PREMIUM:	1.0% of the mortgage amount is payable at closing. Thereafter, the MIP is escrowed monthly based on a rate established by HUD. The rate is fixed at loan endorsement.
ESCROWS:	Monthly escrows for property insurance, real estate taxes, reserves for replacement, sinking fund (if applicable) and mortgage insurance premiums. An initial deposit to replacement reserve and 100% of repair costs (both as determined by HUD) are escrowed from mortgage proceeds.
COMMERCIAL SPACE:	Commercial area shall not exceed 20% of the total net rentable area of the project and commercial income shall not exceed 20% of effective gross income.
ENVIRONMENTAL ISSUES:	Special rules apply for properties which are located in Flood Hazard Zones as designated by FEMA. Lead-based paint and asbestos must be abated in accordance with HUD requirements.

hardworking + successful + prepared + accomplished
innovative + versatile + knowledgeable + resourceful
reliable + efficient + collaborative + flexible + creative
adaptable + prepared + problem solver
flexible + responsive

APPLICATION FEE:	A non-refundable fee of 0.3% of the requested mortgage amount is payable to HUD at the time of application, plus estimated underwriting costs for market study, appraisal, architectural/engineering report, cost analysis, environmental assessment and other loan processing costs.
FINANCING AND PLACEMENT FEES:	Negotiable.
CLOSING EXPENSES:	Standard transaction costs, including legal fees, title insurance and survey.
PROFESSIONAL LIABILITY INSURANCE:	Required by HUD for all loans. The minimum requirement is \$1 million per occurrence and \$3 million aggregate. Further information regarding this requirement is available upon request.
STATE LICENSURE:	All loans must be licensed by the state or other governmental entity who has oversight responsibilities.
OTHER HUD REQUIREMENTS:	Cash escrows or letters of credit are required for the following: <ol style="list-style-type: none">1. 20% of repair costs as a completion guarantee.2. 2.5% of repair costs as a latent defects guarantee, due at completion of repairs.3. Forecasted operating deficits, (maximum of 18 months) to be released upon achievement of breakeven operations for 90 days.
HUD PROCESSING TIME:	One stage for HUD Multifamily Accelerated Processing (MAP) procedures: <ol style="list-style-type: none">1. Firm Commitment Stage: 60 days for review.
PRELIMINARY SUBMISSION PACKAGE:	Include the following in your request for a loan quote: <ol style="list-style-type: none">1. Property description and location map.2. Number of beds with breakdown of proposed rents by payor source.3. Current bed roll and year-to-date operating statement.4. Operating history – prior 3 years, if available.5. Current year operating budget.6. Existing debt or purchase price.7. Sponsor resume.