



Skilled Nursing & Assisted Living Facilities

Streamlined Refinance

FHA Section 232/223(a)(7)

ELIGIBLE PROPERTIES

Provides mortgage insurance for the refinance of currently FHA-insured properties including skilled nursing and assisted living facilities. Other licensed seniors housing property types are also eligible, including intermediate care facilities and board & care homes (collectively, "Residential Care Facilities").

ELIGIBLE BORROWERS

Experienced profit motivated, non-profit and public owners are eligible.

MAXIMUM TERM

Remaining term of the existing HUD loan plus up to 12 years (subject to HUD approval); term cannot exceed the original term of the existing loan.

STANDARD LOAN AMOUNTS

The lesser of:

1. Original principal balance of the existing loan
2. Amount that results in a debt service coverage ratio of 1.11x based on the underwritten NOI
3. 100% Cost to Refinance (Existing indebtedness plus transaction costs)

****Commercial Space is governed by the Section of the Act of the underlying insured mortgage***

GENERAL LOAN TERMS

RECOURSE

None. The FHA loan is non-recourse; however, identified principal(s) will be required to sign "bad acts" and malfeasance carve outs at closing.

ASSUMABLE

Yes, subject to HUD and lender approval and payment of the assumption fee (0.05% of the original loan amount).

INTEREST RATE

Subject to market conditions. A rate lock deposit in the amount of 0.5% of the loan amount is collected at acceptance of the Firm Commitment and fully refunded at initial endorsement.

PREPAYMENT

Subject to market conditions. Typical structures include either a 1 or 2-year lock-out period, with the remainder of the first 10 years open to prepayment subject to a penalty that declines annually.



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FHA APPLICATION FEES

0.15% of loan amount, payable to HUD at submission of the firm application.

MORTGAGE INSURANCE PREMIUM (MIP)

The annual MIP is currently 0.55% (0.45% if the project utilizes Low Income Housing Tax Credits) of the outstanding loan amount.

Highland Commercial Mortgage is a HUD MAP/LEAN approved lender and is a national leader offering underwriting, loan origination and servicing for multifamily mortgages, skilled nursing and assisted living facilities. Our team is recognized nationally for its work with HUD 232, 232/223(f), and 232/223(a)(7) programs. Highland works closely with developers, non-profit housing organizations, operators, and large property managers across the United States. The Highland team has also developed long-standing and strategic relationships within FHA and has a deep and thorough understanding of FHA/HUD underwriting guidelines.

For additional information contact:

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