



FHA 232 Pursuant to 223(F)

FHA insured long term, fixed rate financing for refinance, acquisition or moderate renovation of assisted living and nursing facilities.

Loan Amount	\$1,000,000 minimum
Loan Term	Up to 35 years
Amortization	Up to 35 years
Minimum Debt Service Coverage Ratio (DSCR)	1.18 (85% of Net Operating Income, less proprietary income – 90% non-profit)
Maximum Loan to Value	85% (90% for non-profit)
Fixed Rate	Yes
Eligible Property	Existing assisted living and nursing home projects at least 3 years old.
Eligible Borrower	Single Asset Entity (for profit or non-profit)
Cash Out	No
Occupancy Requirements	Can be underwritten up to 95% occupancy. Minimum 85% physical occupancy
Tax and Insurance Escrows	Monthly deposits required.
Recourse	Non-recourse
Required Reports	Narrative MAI appraisal, Property Condition Assessment and Phase I
Rate Lock	Standard 30 day rate lock period following acceptance of commitment
Assumable	Subject to FHA approval and fees
Good Faith Deposit	0.1% of loan amount (minimum \$5,000)
Prepayment	Negotiable but generally five year lockout with declining percentage of principal balance thereafter (5-4-3-2-1)
Expense Escrow	Yes-sufficient to cover expenses and third party report costs
Origination Fee	Up to 3.5% of loan amount
Legal/Closing Costs	Borrower pays counsel fee and miscellaneous closing costs
Rehabilitation Qualifications	Repairs cannot exceed \$6,500 per unit (adjusted for local high cost factor), 15% of appraised value or replace more than one building system
Davis Bacon	Not applicable to this program