

HUD 232 per 223(f)

Nursing homes, intermediate care facilities, board and care homes, and assisted living facilities

Eligible Properties

Nursing homes, intermediate care facilities, board and care homes, and assisted living facilities that have been completed or substantially rehabilitated at least 3 years prior to the date of the Firm Commitment application

HUD 232 per 223(f) AT A GLANCE

Borrower	Single asset and single purpose entity, either for-profit or nonprofit
Recourse	Fully non-recourse during both construction and permanent phases of financing
Loan Amount	No limits
Maximum Mortgage Limits	The lesser of: a) 80% loan-to-value b) 100% transaction costs (refinance); 80% of acquisition costs, including transaction costs and repairs c) 1.45 debt service coverage ratio
Interest Rate	Fixed rate determined by market conditions at the time of rate lock
Amortization and Term	A maximum of 35 years fully amortizing
Mortgage Insurance Premium	1% payable at closing Between 0.45% and 0.65% annually
Escrows	Escrows for taxes, insurance and mortgage insurance premium are required
Replacement Reserves	Initial and monthly deposits required based on long-term physical needs
Repair Escrow	Cash or a letter of credit for up to 20% of the estimated cost of repairs
Secondary Financing	Permitted up to 100% LTV under certain conditions
Commercial Space	Eligible for up to 20% of total square footage and 20% effective gross income
Financing Fee	Fees negotiable
Placement Fee	Fees negotiable
HUD Exam Fee	\$3 per \$1,000 of requested mortgage
Rate Lock Deposit	Typically 0.50% of mortgage amount, refunded at closing
Third-Party Reports	Appraisal, environmental assessment and Property Condition and Needs Assessment (PCNA) are required
Closing Expenses	Legal fees, title insurance and survey
HUD Review Time	Typically 60 days
Professional Liability Insurance	Minimum \$1 million/\$3 million coverage for operators/managers

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