

232 BLC provides FHA insured long term, fixed-rate financing for new construction or substantial rehabilitation of assisted living, congregate care and nursing home facilities nationwide. BLC uses the two-stage Multifamily Accelerated Processing Program (MAP) to expedite underwriting and approval.

Loan Term

Construction loan plus up to 40-year permanent loan

Amortization

Up to 40 Years

Maximum Loan Amount – New Construction

Determined by the lowest of:

1. 90% of total eligible development costs
2. 90% of appraised value (95% for non-profit)
3. 1.11 debt service coverage (1.05 for non-profit)

Substantial Rehab Projects

Loan amount is lowest of the three criteria above or:

Refinance – 4. 100% of the rehab cost plus the lesser of:

- A. Existing debt
- B. 90% of “as is” value (95% for non-profit)

Purchase – 5. 90% of the rehab cost plus the lesser of:

- A. 90% of purchase price (95% for non-profit)
- B. 90% of “as is” value (95% for non-profit)

Fixed Rate

Yes – Construction and Permanent

Eligible Property

To-be-built assisted living and nursing home projects or projects undergoing substantial rehabilitation. Independent living space cannot exceed 25% of total bed count (excludes ALF).

Eligible Borrower

Single Asset Entity (for profit or non-profit)

Occupancy Requirement

Underwritten at a maximum 95% occupancy

Tax and Insurance Escrows

Monthly deposits required

Recourse

Non-recourse

Commercial Space

Maximum 10% of gross floor area and maximum 15% of gross potential income. (Day care space is not considered commercial.)

Required Reports

Market Study, Appraisal, Architect Review of Construction Costs and Drawings and Phase I

Prepayment

Negotiable. Generally three year lockout with declining percentage of principal thereafter up to 10 years (7-6-5-4-3-2-1).

Assumable

Subject to BLC and HUD approval and payment of assumption fee.

Good Faith Deposit

Negotiable based on project type

Expense Escrow

Yes – sufficient to cover BLC’s expenses and third-party report costs

Origination Free

Negotiable

HUD Application Fee

Non-refundable fee of \$3 per \$1,000 (0.3%) of the mortgage amount due to HUD with the firm commitment submission package.

HUD Inspection Fee

0.5% of the mortgage amount for new construction. 0.5% of the cost of the repairs for substantial rehab.

Legal / Closing Fee

Borrower pays BLC’s counsel fee and miscellaneous closing costs

Rehabilitation Qualifications

Repairs must exceed \$6,500 per unit (adjusted for local high cost factor), 15% of the “as rehabbed” appraised value or replacement of 2 or more major building systems.

Davis Bacon

Davis Bacon labor standards and wage requirements apply to construction and rehab work.

Licensing

All beds must be licensed or property state must be approved under 1616E Keys Amendment for board and care projects.

HUD Mortgage Insurance Premium (MIP)

HUD sets the cost of the FHA Insurance. The MIP is paid in advance for the construction period and is escrowed monthly after amortization commences. after the amortization commences.