

232(f) Refinance of Section 202 Properties BLC provides FHA insured long term, fixed-rate financing for refinance, acquisition or moderate renovation of assisted living and nursing facilities nationwide. BLC uses the single-stage Multifamily Accelerated Processing Program (MAP) to expedite underwriting and approval.

Loan Term

Up to 35 Years

Amortization

Up to 35 Years (Fully Amortizing)

Minimum DSC

1.1765 (1.11 for non-profit)

Maximum Loan to Value / Purchase Price

85% (90% for non-profit)

Fixed Rate

Yes

Eligible Property

Existing assisted living and nursing home projects at least three years old

Eligible Borrower

Single Asset Entity (for profit or non-profit)

Cash Out

Not allowed

Occupancy Requirement

Underwritten up to 95% occupancy

Tax and Insurance Escrows

Monthly deposits required

Recourse

Non-recourse

Commercial Space

Maximum 20% of net rentable area and maximum 20% of effective gross income

Required Reports

Market Study, Appraisal, Physical Needs Assessment (PCNA) 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 cost of repairs

Legal / Closing Fee

Borrower pays BLC's 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 replacement of two or more major building systems.

Davis Bacon

Not applicable to this program

HUD Mortgage Insurance Premium (MIP)

HUD sets the cost of the FHA Insurance. The initial MIP is due to HUD at closing and the MIP is escrowed monthly thereafter.