

# Bedford Lending

## FHA Mortgage Insurance Programs

### Section 232 pursuant to 223f

#### Healthcare Acquisition & Refinance

**Bedford Lending** is a leading FHA-approved Mortgagee and MAP/LEAN lender that actively underwrites FHA insured mortgage loans for multifamily housing, seniors housing, assisted living and skilled care properties nationwide.

**Program Purpose:** Provides mortgage insurance to facilitate funding the acquisition or refinance of existing Assisted Living, Memory Care, and Intermediate or Skilled Nursing Facilities. Independent living can be no more than 25-30% of the total units. Commercial space cannot exceed 20% of the gross floor area or gross projected income.

**Eligible Borrowers:** Profit motivated, non-profit motivated and public owners are eligible.

**Maximum Loan:**

**Acquisition:** The lesser of:

1. 85% of cost;
2. 80% of value (85% non-profit);
3. A mortgage amount with a DSC of 1.45x;

**Refinance:** The lesser of:

1. 100% of eligible cost\* (see below);
2. 80% of value (85% non-profit);
3. A mortgage amount with a DSC of 1.45x,

**Maximum Term:** 35 years (fully amortizing) plus construction period, not to exceed 75% of remaining economic life.

**Interest Rate:** Subject to market conditions.

**Mortgage Insurance:** 1% at closing, and 0.65% annually thereafter.

**Prepayment:** Typically closed for 2 years then open to prepayment at 8% of principal in year 3, declining 1% per year.

**Timing:** Section 232/223f processing usually takes about 4 months (subject to deal specifics).

**FHA Application Fees:** 0.30% of the loan amount (non-refundable). Financing and permanent placement fees of up to 3.5% are based on final loan amount, due upon commitment and payable at closing.

**Repairs/Replacements:** Allowed up to 15% of the appraised value of the property after completion of repairs, so long as no more than one building system is substantially renovated or replaced.

**Personal Liability:** Non-recourse.

**Assumable:** Yes, subject to FHA approval.

**Territory:** Nationwide.

**Program Notes:**

- \*Recognizable transaction costs include repairs, initial replacement reserves, third party reports, closing costs, along with eligible existing indebtedness or purchase price.
- The facility must have been completed or substantially rehabilitated for at least three years prior to the date of the application. Projects with additions completed less than three years previous are eligible as long as the addition was not larger than the original project size and number of beds.
- The client must pay for all third party reports, which include a PCNA, a phase 1 environmental assessment, and a full appraisal. Funds must be remitted to Bedford Lending and these contractors are engaged and paid by Bedford Lending directly.

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**For additional information visit [www.bedfordlending.com](http://www.bedfordlending.com) or contact:**

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