



HEALTHCARE FACILITIES

REFINANCE OF EXISTING HUD LOAN

SECTION 232/223(A)(7) LEAN

ELIGIBILITY

- ❖ Property must currently be insured by HUD.
- ❖ Mortgagor entity may be either for-profit or non-for-profit.
- ❖ Property must not be in need of substantial rehabilitation. Minor rehabilitation, including specific capital improvements, modernization, utility conversion, or other value enhancement repairs, is allowed and included in the property valuation.
- ❖ Hospitals excluded from this program.

REQUIREMENTS

- ❖ Critical repairs must be completed prior to closing.
- ❖ Non-critical repairs must be completed within 12 months of closing.
- ❖ Audited project financial statements must be filed annually with Centennial.

ESCROWS

- ❖ Full escrows for property taxes, all applicable insurance and any special assessments are funded at closing and must be maintained

- ❖ A Replacement Reserve account must be established at closing and is made available for replacement of depreciable capital items.
- ❖ If the loan includes repairs or capital improvements to be completed after closing, an additional 10% repair escrow must be funded at closing.

FEATURES

- ❖ This is a non-recourse loan.
- ❖ Extended loan term – up to an additional 12 years past original maturity date.
- ❖ Low, fixed interest rates, fully amortizing.
- ❖ Most affirmative and negative loan covenants typically found in conventional loan agreements are eliminated.
- ❖ Fully assumable, subject to CMI and HUD's approval.
- ❖ Debt service coverage ratio of 1.11.
- ❖ No appraisal, market study or environmental reports typically required and minimal documentation is required.

For Additional Information Contact:

www.centennialmortgage.com

(574)-233-6773