

NURSING HOME, ASSISTED LIVING & BOARD & CARE FACILITIES - New Construction or Substantial Rehab HUD Section 232/223f LEAN



Features

- This is a non-recourse loan.
- Long term loan - In addition to the construction period, 40-years fully- amortizing.
- Low, fixed interest rates.
- Loan-to-value ratio – Skilled Nursing Facility (SNF) - up to 80% for a for-profit enterprise, inclusive of major movable equipment, (85% for a not-for-profit) for both New Construction and Sub-Rehab.
- Loan-to-value ratio – Assisted Living Facility (ALF) - up to 75% for a for-profit enterprise inclusive of major moveable equipment, (80% for a not-for-profit) for New Construction and 80% for a for-profit enterprise (85% not-for-profit) for a Sub-Rehab.
- Most affirmative and negative loan covenants typically found in conventional loan agreements are eliminated.
- Converts to permanent financing upon completion at no extra cost.
- Fully assumable, subject to CMI and HUD approval.
- Can be used as a credit enhancement for tax exempt bonds.
- Debt Service Coverage of 1.45.

Eligibility

- Mortgagor entity may be either for-profit or not-for-profit.
- Board and care facilities:
 - Must have at least one full private bath for every four residents,
 - Must have a central dining area and kitchen, with appropriate recreational facilities, and
 - Must not charge founder's, life care or similar fees.
- Assisted living facilities:
 - Residents must require assistance with at least 3 activities of daily living,
 - Must provide central dining, kitchen, lounge, etc.
 - Must offer three (3) meals a day.

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