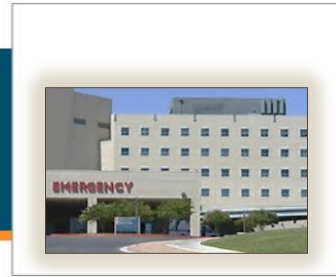


# ACUTE CARE HOSPITALS

## New Construction or Substantial Rehabilitation

### HUD Section 242



## Features

- This is a non-recourse, fixed rate, long loan term - up to 25 years, fully-amortizing. No variable rate.
- Most affirmative and negative loan covenants typically found in conventional loan agreements are eliminated.
- Converts to permanent financing upon completion at no extra cost. 10-year fixed pre-payment lock.
- Can be used as a credit enhancement for tax exempt bonds.
- Requires Davis Bacon wage compliance.

## Eligibility

- Mortgagor entity may be either for-profit or not-for-profit or municipally owned.
- Must be licensed and regulated. CON required in States where CONs exist (except for critical access hospitals).
- For acute care hospitals, no more than 50% of total inpatient days during any 1 year may be assignable to chronic convalescence and rest, drug and alcohol, epileptic, nervous and mental, mentally deficient and tuberculosis care. Also ineligible are patient days attributable to skilled nursing, intermediate care, convalescent care, rehabilitation, and psychiatric care.

## Loan Structure

- Loan limited to 90% of appraised value - net book value of equipment can be included in appraised value.
- All project costs are eligible (except for Certificate of Need fees).
- Cost of issuance allowance of up to 3.5% for taxable financing and 5.5% for tax-exempt financing.

## HUD Fees

- 0.30% Application Fee
- 0.50% Inspection Fee
- 0.70% Annual Mortgage Insurance Premium

Privately held, Centennial Mortgage is strategically integrated to expertly maneuver through HUD/FHA/USDA requirements. We collaborate to pilot your project through the intricate process. We drive to close then service every loan, delivering continuity, stewardship and peace of mind. Our experience is unmatched - we have one of the highest loan approval rates as we advocate tirelessly to make each loan happen.

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Strategically Integrated. Expertly Driven.