



## HEALTHCARE – NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION

CBRE FHA Lending is an approved direct Lean Seniors Healthcare lender providing competitive financing for the construction or substantial rehabilitation of healthcare properties. Eligible properties include: intermediate care, board and care, residential care, assisted living, skilled nursing facility, Alzheimer’s facilities, independent living units and limited adult day care.

### PROGRAM FEATURES

- + Insured mortgage may be used to finance both the construction and permanent loans
- + No occupancy threshold to convert the construction loan to the permanent loan
- + Non-recourse loan
- + Fully assumable with Lender and FHA approval
- + Major movable equipment can be included in loan
- + May provide credit enhancement for tax-exempt housing bonds
- + Leased facilities are permitted
- + Prevailing wage requirements under the Davis-Bacon Act are required
- + Financing is not permitted for properties charging substantial up-front admission fees
- + Limited liability insurance requirements

### MAXIMUM LOAN LIMITATIONS

#### NEW CONSTRUCTION– THE MAXIMUM LOAN WILL BE THE LESSER OF:

- + Debt Service Coverage: 1.45x
- + 75% for ALF (80% for nonprofit) or 80% for SNF/ILU (85% for nonprofit) of the estimated value of the physical improvements and major movable equipment
- + 90% of HUD Replacement Cost

#### SUBSTANTIAL REHABILITATION– THE MAXIMUM LOAN WILL BE THE LESSER OF:

- + Debt Service Coverage: 1.45x
- + 90% of eligible rehabilitation costs, transaction costs, plus the lesser of 90% of the property’s “as is” value prior to rehabilitation, or 100% of purchase price for acquisition or existing debt for refinance

<b>Rates</b>	Fixed for the length of the mortgage; typically, Ginnie Mae.
<b>Loan Term</b>	Fully amortizing up to 40 years plus the construction period. Interest only during the construction period
<b>Payment Conditions</b>	Negotiable; 0-1 year lockout followed by a declining percentage penalty, open after year 10. No yield maintenance or defeasance
<b>Secondary Financing</b>	Limited secondary financing is permitted; repayment subject to surplus cash; special conditions apply.
<b>Mortgage Insurance Premium</b>	Market properties - .77%

Contact Information:  
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