

# HUD 223(a)(7) & HUD 232/223(a)(7)

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| Eligible Properties:        | All existing HUD insured loans for market rate, affordable, elderly housing, nursing homes and assisted living   |
| Borrower:                   | Single asset and single purpose entity, either for profit or nonprofit   |
| Recourse:                   | Fully non-recourse   |
| Loan Amount:                | No limits  |
| Maximum Mortgage Limits:    | The lesser of:<br>a) The original principal amount of the existing insured mortgages<br>b) Existing debt plus transaction costs<br>c) 1.111 DSCR (1.053 for nonprofit) |
| Interest Rate:              | Fixed rate determined by market conditions at the time of rate lock  |
| Amortization and Term:      | The remaining term of existing mortgage. With HUD's approval, the term may be extended up to 12 years beyond its remaining term.                                       |
| Mortgage Insurance Premium: | 0.45% (0.5% for Health Care facilities without LIHTC)  |
| Escrows:                    | Escrows for taxes, insurance and mortgage insurance premium continue to be required  |
| Replacement Reserves:       | Initial (net of current balance) and monthly deposits required based on long term physical needs   |
| Repair Escrow:              | Cash or a letter of credit for up to 10% of the estimated cost of repairs  |
| HUD Exam Fee:               | \$3 per \$1,000 of requested mortgage for Section 223(a)(7)<br>Half of this fee will be refunded at endorsement.   |
| HUD Inspection Fee:         | The greater of \$1,500, \$30 per unit, or 1% of the cost of repairs  |
| Rate Lock Deposit:          | Typically 0.5% of mortgage amount, refunded at closing   |
| Third Party Report:         | PCNA   |
| Assumability:               | Fully assumable  |