



# HUD 232/223(f)

## Frequently asked questions

### What borrowers are eligible?

Experienced for-profit and non-profit owners are eligible.



### What is the rate lock deposit fee?



**0.50%** of mortgage amount collected at the time of client's acceptance of the Firm Commitment. The rate lock deposit will be fully refunded at the transaction closing.

### What are the limits for commercial space?

**20%** of net rental area and **20%** of effective gross income.



### How does prepayment work?

**2-year** lockout followed by **8 years** of declining pre-pay of: **8%, 7%, 6%, 5%, 4%, 3%, 2%, and 1%** (other terms may be negotiated)



### What is the loan term?

Up to a **35-year** fixed rate, or **75%** of the remaining economic life (fully amortizing loan).

### What facilities are eligible?

Nursing homes, assisted living facilities, intermediate care facilities, and board and care homes that meet the following requirements

- Must offer **3 meals** per day
- Continuous care
- May include up to **25%** non-licensed independent living units
- Facility must be licensed by the state
- Minimum number of **20** beds
- The facility must have been completed or substantially rehabilitated for at least **three years** prior to the date of application. If additions have been done in the last three years, the additions cannot be larger than the original project size and original number of beds.



### Can this loan be assumed?

Fully assumable, subject to HUD approval. This feature makes the property very appealing to a buyer to assume a low rate in increasing rate environments.



### What is the interest rate?

Fixed, subject to market conditions.



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