

**Nursing Home, Assisted Living, Board & Care Facilities
Acquisition/Refinance
HUD Section 232 Pursuant to Section 223(f) Mortgage Insurance Program**

Rockport Mortgage Corporation is an FHA-approved Mortgagee and actively provides financing utilizing the FHA insurance programs nationwide.

Purpose: FHA's Section 232 Program was recently amended to provide mortgage insurance for the refinance of conventional (non-FHA insured) nursing homes, intermediate care facilities, board and care homes and assisted living facilities (collectively, "Residential Care Facilities").

Eligible Borrowers: Profit motivated, non-profit and public owners are eligible.

Maximum Term: 35 Years (fully amortizing) or 75% of the estimated remaining economic life whichever is less, with a minimum term of 10 years.

Maximum Loan: Refinancing: The lesser of:

- 1) 85% of FHA's value (90% for non-profits)
- 2) Amount of debt serviced by 85% of NOI attributable to the real estate (90% for non-profits)
- 3) 100% of HUD appraised transaction costs

Acquisitions: The lesser of:

- 1) 85% of FHA's value (90% for non-profits)
- 2) Amount of debt serviced by 85% of NOI attributable to the real estate (90% for non-profits)
- 3) 85% of HUD appraised acquisition costs (90% for non-profits)

Personal Liability: None.

Prepayment: Negotiable

Finance Fees: Negotiable

FHA Application Fees: 0.3% of the loan amount.

Mortgage Insurance Premium: 1% for the first year
0.5% of the outstanding loan amount thereafter.

Secondary Financing: Surplus cash notes are permitted, up to 7.5% of the project's value.

Repairs/Replacements: Funds for repairs, deferred maintenance and capital improvements for up to 15% of value or \$6,500 per unit (may be adjusted for high cost areas) can be included in the loan amount, subject to the 85% loan to value limitations.

Funding: Qualifies for government guaranteed mortgage-backed securities or direct placement or may be used to credit enhance tax-exempt bonds.

Interest Rate: Subject to market conditions

Territory: Nationwide

The program has the following additional parameters:

? The FHA Section 232 pursuant to 223(f) mortgage insurance program is the most attractive credit enhancement program available for taxable and tax-exempt acquisition financing or refinance of existing nursing homes, intermediate care facilities, assisted living facilities, and board and care (personal care) facilities.

? A replacement reserve deposit will be required at closing. The deposit can be capitalized in the mortgage loan.

Eligible Properties

? Residential Care Facilities (nursing homes, intermediate care facilities, board and care, and assisted living facilities) must be at least three years old and must provide the necessary space for a central kitchen (whether utilized or not) and group dining. If day care is provided, the day care program must be self-supporting. A Residential Care Facility must be licensed and/or regulated by the state (or another political subdivision).

? Assisted living facilities and board and care or personal care facilities also must provide separate dwelling units and have supportive services available to assist residents in carrying out the activities of daily living, including common rooms and the facilities necessary for the provision of the above-noted supportive services. Individual assisted living units may contain a kitchenette or full kitchen, and a full bath.