

**Nursing Home, Assisted Living, Board & Care Facilities
New Construction/Substantial Rehabilitation
HUD Section 232 Mortgage Insurance Program**

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

Purpose: Provides mortgage insurance for the construction or rehabilitation of skilled nursing, intermediate care, board and care, and assisted living facilities. (Facilities currently financed with FHA insured mortgages are eligible for streamlined refinancing through the FHA 223(a) 7 Program. Additions to facilities financed with FHA insured mortgages also can be financed on an expeditious basis employing the 241 Program).

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

Maximum Term: 40 years plus a construction period.

Maximum Loan: New Construction: the lesser of:

1. 90% of FHA's value (95% for private non-profits)
2. Amount of debt serviced by 90% of the estimated NOI attributed to realty (95% for non-profits)

Substantial Rehabilitation: the lesser of:

1. 90% of FHA's value (95% for private non-profits)
2. Amount of debt serviced by 90% of the estimated NOI attributable to realty (95% for non-profits)
3. If Owned – 100% of hard and soft costs plus the lesser of existing debt or 90% of existing value (95% for non-profits). To be acquired – 90% of hard and soft costs (95% for non-profits) plus 90% of the lesser of purchase price or existing value (95% for non-profits).

Personal Liability: None.

Prepayment: Negotiable

Finance Fee: Negotiable

FHA Application Fees: 0.3% of the loan amount.

Mortgage Insurance Premium: 0.5% per year.

Secondary Financing: Surplus cash notes are permitted.

FHA Inspection Fees: 0.5% of loan amount (new construction)
0.5% of costs associated with construction (sub rehab)

Funding: Qualifies for government insured 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:

1. The FHA Section 232 mortgage insurance program is one of the most attractive credit enhancement

programs available for taxable and tax-exempt financing of new construction and rehabilitation of nursing homes, intermediate care facilities, assisted living facilities, and broad and care (personal care) facilities.

2. FHA is the only 40-year, fixed rate, level amortization, and non-recourse health care facility finance program in existence.