

FOR IMMEDIATE RELEASE:

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## Recent Closing \$1,871,400



### Palmyra Health Care Center

- ❖ Project Name: Palmyra Health Care Center
- ❖ Project Location: Palmyra, TN
- ❖ Loan Amount: \$1,871,400
- ❖ Financing: FHA insured financing through HUD's 232 subject to 223(f) program for acquisition of healthcare facilities

Chip Smith of Rockport Mortgage originated the financing for the Palmyra Health Care Center, a 75-bed skilled nursing facility located in Palmyra, Tennessee. The facility is dually certified for both Medicaid and Medicare, and it is the only nursing home in the state with a Medicaid certified unit for the mentally retarded, offering 20 such beds in its New Dawn unit.

The property was acquired by Preston Health Care Properties of Palmyra, LLC. Prior to acquisition, the property had been leased to, and operated by, an affiliate of Preston Health Care since October 2000. As part of the transaction, the facility will undergo over \$235,000 in repairs and equipment upgrades.

The financing application was approved by HUD's Nashville, TN Field Office. It was the second transaction that Rockport Mortgage had processed for the borrowers in the Nashville office. The loan offers a fully amortizing 35-year term, with a fixed interest rate of 5.125%. The loan represents 85% of the HUD-determined acquisition cost, which is comprised of the purchase price, repair costs, initial reserves funding, and transaction costs. In addition, the borrower worked with Rockport Mortgage and the seller, to structure secondary financing in the amount of 7.5% of the acquisition cost, resulting in cumulative financing of 92.5%.

Preston Health Care recognized HUD as the best financing alternative in the market today for healthcare facilities. The low interest rate, high leverage, longer fully amortizing loan term, and non-recourse provisions of HUD financing were all factors that made HUD the right choice for this transaction.