



## FHA® 232/223(a)(7): REFINANCING HUD-INSURED HEALTHCARE LOANS

Arbor provides streamlined refinancing of existing FHA-insured loans nationwide. Refinance costs, including prepayment, are included.

<b>Loan Term &amp; Amortization</b>	Remaining term of the existing loan plus up to 12 years (subject to HUD approval). Term cannot exceed the original term of the existing loan. The loan is fully amortizing through the term of the loan.
<b>Loan Amount</b>	No cash out. New loan amount is the lowest of: <ol style="list-style-type: none"> <li>1. Original principal balance of existing loan</li> <li>2. 100% of the costs to refinance (current principal balance plus transaction costs, repairs and deposits to replacement reserves)</li> <li>3. Minimum debt service coverage of 1.11</li> </ol>
<b>Interest Rate</b>	Fixed rate subject to market conditions at time of rate lock.
<b>Eligible Properties</b>	Healthcare facilities currently insured under Sections 232 and 232/223f.
<b>Eligible Borrower</b>	Single Asset Entity (for profit or non-profit).
<b>Cash Out</b>	Not allowed.
<b>Tax and Insurance Escrows</b>	Monthly deposits to the escrows are required for property insurance, real estate taxes, reserves for replacement and mortgage insurance premiums.
<b>Recourse</b>	Non-recourse.
<b>Required Reports</b>	New Property Condition Needs Assessment (PCNA) required if last report is over two years old.
<b>Prepayment</b>	Typically 10% year 1, declining 1% per year. Other pre-payment options available subject to market conditions
<b>Assumable</b>	Subject to Arbor and HUD approval and payment of assumption fee.
<b>Good Faith Deposit</b>	Based on property type and loan size.
<b>Expense Escrow</b>	Yes – sufficient to cover Arbor’s expenses and third-party report costs.
<b>Origination Fee</b>	Negotiable
<b>HUD Application Fee</b>	0.15% of the new loan amount paid to HUD with HUD Application.
<b>HUD Inspection Fee</b>	Not applicable.
<b>Legal/Closing Fee</b>	Borrower pays Arbor’s Counsel Fee and miscellaneous closing costs.
<b>Repairs</b>	Repairs approved by HUD can be funded by mortgage proceeds with 10% Completion Assurance required from owner. Repairs limited to \$1,500 per unit.
<b>Davis Bacon</b>	Not applicable to this program.
<b>HUD Mortgage Insurance Premium</b>	0.50% up front: Market Rate 0.55% annually; LIHTC 0.45% annually.