



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

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

LOAN TERM AND AMORTIZATION	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; loan is fully amortizing through the term of the loan
LOAN AMOUNT	No cash-out; new loan amount is the lowest of: <ol style="list-style-type: none"> 1. Original principal balance of existing loan 2. 100% of the costs to refinance (current principal balance plus transaction costs, repairs and deposits to replacement reserves) 3. Minimum debt service coverage of 1.11
INTEREST RATE	Fixed rate subject to market conditions at time of rate lock
ELIGIBLE PROPERTIES	Healthcare facilities currently insured under Sections 232 and 232/223f
ELIGIBLE BORROWER	Single asset entity (for profit or nonprofit)
CASH-OUT	Not allowed
TAX AND INSURANCE ESCROWS	Monthly deposits to the escrows are required for property insurance, real estate taxes, reserves for replacement and mortgage insurance premiums
RECOURSE	Nonrecourse
REQUIRED REPORTS	New Property Condition Needs Assessment (PCNA) required if last report is over two years old
PREPAYMENT	Typically 10% year one, declining 1% per year; other prepayment options available subject to market conditions
ASSUMABLE	Subject to Arbor and HUD approval and payment of assumption fee
GOOD FAITH DEPOSIT	Based on property type and loan size
EXPENSE ESCROW	Yes – sufficient to cover Arbor’s expenses and third-party report costs
ORIGINATION FEE	Negotiable
HUD APPLICATION FEE	0.15% of the new loan amount paid to HUD with HUD application
HUD INSPECTION FEE	Not applicable
LEGAL/CLOSING FEE	Borrower pays Arbor’s counsel fee and miscellaneous closing costs
REPAIRS	Repairs approved by HUD can be funded by mortgage proceeds with 10% completion assurance required from owner; repairs limited to \$1,500 per unit



DAVIS BACON

Not applicable to this program

**HUD MORTGAGE INSURANCE
PREMIUM (MIP)**

0.50% up front; market rate 0.55% annually; LIHTC 0.45% annually