

# 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:

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 non-profit)

### 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

Non-recourse

### 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