

# FHA<sup>®</sup> 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.

<b>Loan Term and 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; 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 one, declining 1% per year; other prepayment 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 (MIP)</b>	0.25% up front; 0.25% annually