



# HUD Section 232 Healthcare Facilities

*Long-term, Fixed Rate Financing for New Construction and  
Substantial Rehabilitation of Healthcare Properties*

*This term sheet is provided as an overview and does not include all requirements for this product type.*

<b>ELIGIBLE PROPERTIES</b>	Substantial Rehabilitation or New Construction of licensed Assisted Living Facilities, Skilled Nursing Homes, Intermediate Care Facilities, and Board and Care Homes. Up to 25% of the beds/units can be unlicensed, Independent Living.																
<b>QUALIFIED BORROWER</b>	For-profit or non-profit single asset, single purpose entity.																
<b>REPAIR AMOUNT</b>	For Substantial Rehabilitation, repair amount must be at least <ul style="list-style-type: none"> <li>(i) Two or more major systems or</li> <li>(ii) Greater than 15% of completed value.</li> </ul>																
<b>LOAN AMOUNT</b>	No minimum or maximum																
<b>GUARANTEES</b>	Nonrecourse loan except for standard carve-outs																
<b>INTEREST RATE</b>	Fixed for loan term; locked after Firm Commitment issuance, prior to construction.																
<b>TERM / AMORTIZATION</b>	Up to 40-year permanent, fully amortizing loan plus construction period with interest only.																
<b>ASSUMABLE</b>	Fully assumable, subject to HUD approval.																
<b>PREPAYMENT</b>	Negotiable; typically, a specified lock-out period then declining prepayment for 10 years.																
<b>COMMERCIAL SPACE</b>	Limited to 10% of gross square feet and 15% of gross income.																
<b>LOAN SIZING</b>	Loan amount shall be based on the lesser of the following:																
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>For Profit LTV</th> <th>Non Profit LTV</th> <th>DSCR</th> </tr> </thead> <tbody> <tr> <td>Assisted Living Existing</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">1.450</td> </tr> <tr> <td>Assisted Living New construction</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">1.450</td> </tr> <tr> <td>Skilled Nursing/Independent Living</td> <td style="text-align: center;">80%</td> <td style="text-align: center;">85%</td> <td style="text-align: center;">1.450</td> </tr> </tbody> </table>		For Profit LTV	Non Profit LTV	DSCR	Assisted Living Existing	80%	85%	1.450	Assisted Living New construction	75%	80%	1.450	Skilled Nursing/Independent Living	80%	85%	1.450
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	Loan to Cost = 90% of Replacement Cost																
<b>CASH OUT</b>	Not Allowable.																
<b>THIRD PARTY REPORTS</b>	Appraisal/Market Study, Phase I, Architectural & Engineering and Cost Report. Other Reports as needed. Borrowers must pay for reports.																
<b>SECONDARY FINANCING</b>	Not Allowable																
<b>DAVIS BACON ACT</b>	Davis Bacon Wage Compliance is required during construction period.																
<b>ESCROWS</b>	Taxes, insurance, MIP, prorated debt service coverage escrow for Independent Living Working capital at 4% of mortgage amount Operating deficit – per market conditions Possible Short Term or Long Term Debt Service Reserve																
<b>MORTGAGE INSURANCE PREMIUM</b>	For upfront MIP, the applicable MIP for transaction type for each year of construction 0.45% of loan annually for affordable LIHTC properties 0.77% of loan annually if market rate																
<b>HUD APPLICATION FEE</b>	0.3% of loan amount, due at Initial Submission Stage for Two Stage processing or at Firm Application for Direct to Firm Processing. If no Firm Commitment is issued after Initial Submission, 50% of the fee may be refunded.																
<b>INSPECTION FEE</b>	0.5% of loan for new construction and 0.5% of all improvements for rehabilitation.																
<b>FINANCE/PLACEMENT FEE</b>	Up to 2.0%/1.5% of the loan amount; payable at closing.																

*Churchill Mortgage Investment LLC ("CMI") is a subsidiary of Churchill Stateside Group, LLC. CMI is an FHA MAP/LEAN and USDA Approved Lender.*

*Celebrating* **\$1 BILLION** ASSETS UNDER MANAGEMENT



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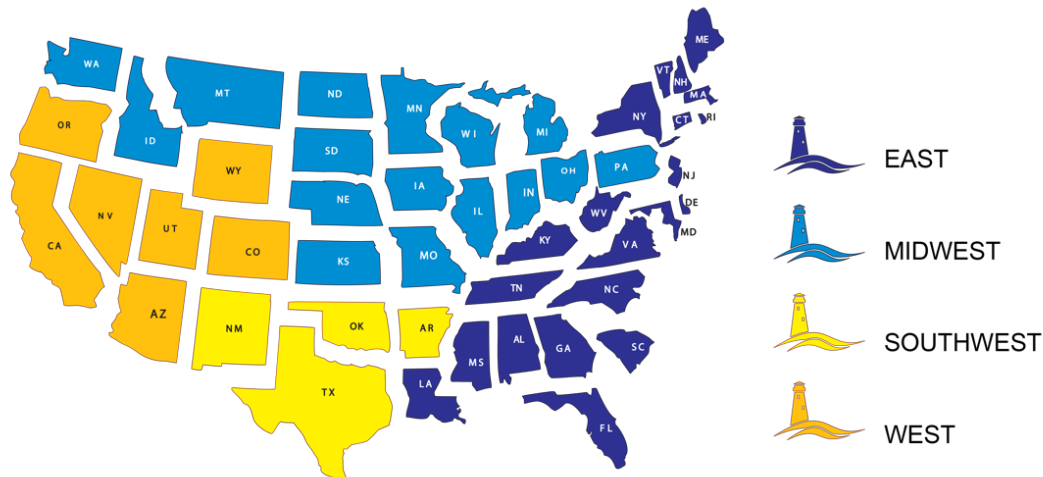
[info@CSGfirst.com](mailto:info@CSGfirst.com) | [www.CSGfirst.com](http://www.CSGfirst.com)

## ABOUT CSG

### Experience & Integrity

Churchill Stateside Group (CSG) and its wholly owned affiliates serve the multifamily and affordable housing, senior housing and healthcare, and renewable energy industries. CSG sponsors tax credit equity investment funds for institutional investors and provides a variety of construction and permanent financing solutions to developers.

The company's investor and developer clients benefit from an experienced staff, prominent and proactive senior leadership, and attractive debt and equity platforms. CSG has long-standing and successful investment relationships with numerous corporate investors, pension funds, and insurance companies. The company is an approved USDA Rural Development and HUD MAP and LEAN Lender. CSG pursues high quality lending and investment opportunities across the nation.



**NATIONAL:** Robert M. Stout, CRI

**National Director of Originations and Acquisitions**

700 12<sup>th</sup> Ave. South, Suite 302 | Nashville, TN 37203

Direct: 615-545-6839 | Office: 615-727-7431

[bstout@csgfirst.com](mailto:bstout@csgfirst.com)

**EAST:** Dan Duda

**VP, National Associate Director of Originations and Acquisitions**

601 Cleveland St., Suite 850 | Clearwater, FL 33755

Direct: 727-415-9556 | Office: 727-269-5198

[dduda@csgfirst.com](mailto:dduda@csgfirst.com)

**EAST:** Michael Spain - VP, East Regional Officer

601 Cleveland St., Suite 850 | Clearwater, FL 33755

Direct: 813-629-5721 | Office: 727-269-5197

[mSpain@csgfirst.com](mailto:mSpain@csgfirst.com)

**MIDWEST:** Jerry Schmahl - VP, Midwest Regional Officer

150 S Wacker Drive, Suite 2400 | Chicago, Illinois 60606

Direct: 847-848-2232

[jschmahl@csgfirst.com](mailto:jschmahl@csgfirst.com)

**SOUTHWEST:** William Rahuba – VP, Southwest Regional Officer

1914 E. 6<sup>th</sup> St. #6200 | Austin, TX 78762

Direct: 312-49-3648 | Fax: 512-957-2063

[wrahuba@csgfirst.com](mailto:wrahuba@csgfirst.com)

**WEST:** Jeff Cresto - VP, West Coast Regional Officer

2784 Gateway Road, Suite 101 | Carlsbad, CA 92209

Direct: 818-521-0420 | Fax: 727-461-6047

[jcresto@csgfirst.com](mailto:jcresto@csgfirst.com)

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