



DOUGHERTY MORTGAGE LLC

Summary

FHA Section 242/223(f) is a Mortgage Insurance Program for Hospital Acquisition or Refinance. Moderate rehabilitation or construction is permitted if less than 20% of the total mortgage amount.

Eligibility: Hospitals - 50% of patient days must be acute care days

Loan Structure:

- » Up to 90% Loan to Value permitted
- » Refinancing transactions must not exceed the cost to refinance existing indebtedness and pay transaction costs. In the case of an acquisition, must not exceed the cost of the acquisition including the purchase price of land and improvements
- » No cash out refinancing permitted

Personal Liability: FHA loan is non-recourse

Assumability: Yes, with FHA approval

Interest Rate*: Subject to market rate

Amortization: 25 years

Processing Time: 6 months

Mortgage Insurance Premium: 0.65% of the outstanding loan balance

Eligibility:

- » Aggregate Operating Margin for the past three years of at least 0%
- » Average debt service coverage ratio for past 3 years of at least 1.40x
- » Must meet three of the following seven criteria:
 1. Proposed refinancing will reduce hospital's operating expense by at least .25%.
 2. New interest rate will be at least half of one percent (0.5%) less than the current rate.
 3. The interest rate on the existing debt to be refinanced has increased by at least one percent, (1%) since January 2008 or is very likely to increase by at least 1% within one year of filing an application.
 4. Hospital's total annual debt service is more than 3.4% of the hospital's total operating revenues based on the most recent financial audit.
 5. The hospital's current credit enhancement or letter of credit has expired or will be withdrawn or the provider of such credit enhancement will be downgraded.
 6. Existing financing's bondW covenants are overly restrictive or onerous.
 7. There are other circumstances that demonstrate that the hospital's financial health depends on refinancing its existing capital debt.

**Contact us for current rates and terms.*

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