



DOUGHERTY MORTGAGE LLC

Summary

Mortgages financed under **Section 242** of the National Housing Act are insured by the Federal Housing Administration (FHA) to facilitate the construction, substantial rehabilitation and modernization of licensed hospital facilities. FHA insurance combined with a Ginnie Mae security provides a “AAA” credit enhancement for bonds.

Eligibility:

- » New construction, substantial rehabilitation, and modernization of licensed hospital facilities
- » Fixed rate financing utilizing taxable or tax-exempt proceeds for funding

Loan Structure (new construction or substantial rehabilitation):

- » 90% of cost
- » Minimum 20% of mortgage amount must be used for rehab or modernization; up to 80% to refinance existing debt
- » 90% of net operating income

Additional Use of Proceeds:

- » Remodeling
- » Expansion
- » Capital equipment

Loan Term:

- » New construction – up to 25 years, plus construction term
- » Fully amortizing

Debt Service Coverage Ratio: 1.25x minimum for new construction

Interest Rate*: Fixed rate locked at commitment based on market conditions

Prepayment: Lockout terms may vary (typically 2-year lock with 8% declining)

Guaranty: Non-recourse

Mortgage Insurance: 0.70% for acquisition/refinance paid at closing for first year, and annually thereafter

Requirements and Fees:

- » HUD fee: 0.3% FHA exam fee (refunded at loan closing)
- » GNMA Fee: 0.5% standby fee (refunded at loan closing)

Processing Fee:

- » Borrower to fund the cost of third party reports (appraisal, market analysis, environmental and physical needs assessment) and lender due diligence
- » Borrower is responsible for legal fees and standard closing costs

Financing and Commitment Fees: Competitive and negotiable

**Contact us for current rates and terms.*

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