

# DOUGHERTY MORTGAGE LLC

## FHA/HUD 232 & 232/223(f)

### Summary

Mortgages financed under Section 232 of the National Housing Act are insured by the Federal Housing Administration (FHA) to facilitate the construction, substantial rehabilitation, acquisition, and refinance of senior housing, including assisted living facilities, skilled nursing, Alzheimer's care and board and care facilities. FHA insurance combined with a Ginnie Mae security provides a "AAA" credit enhancement for bonds.

#### Eligibility:

- ❖ New construction, substantial rehabilitation, acquisition, or refinance of senior housing and health care properties
- ❖ Market rate, LIHTC, bond credit enhancement

#### Loan Structure (new construction or substantial rehabilitation):

- ❖ 90% of total replacement costs (95% for non-profit borrowers)
- ❖ 75% of appraised value (80% for non-profit borrowers) for assisted living facilities
- ❖ 80% of appraised value (85% for non-profit borrowers) for caring or skilled nursing facilities

**Loan Structure (acquisition or refinance):** 80% of appraised value (85% for non-profit borrowers) for assisted living and skilled nursing facilities

#### Loan Term:

- ❖ New construction – up to 40 years, plus construction term
- ❖ Acquisition/refinance – up to 35 years, not to exceed 75% of remaining economic life
- ❖ Fully amortizing

**Debt Service Coverage Ratio:** 1.45x minimum for all transactions

**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:** Applicable mortgage insurance premiums will apply. Please contact your loan officer for more information.

- ❖ 0.77% for new construction/substantial rehabilitation paid at closing for first year, and annually thereafter (.45% affordable)
- ❖ 0.65% for acquisition/refinance paid at closing for first year, and annually thereafter (0.45% affordable)

#### Requirements and Fees:

- ❖ HUD fee: 0.3% FHA exam fee (refunded from mortgage proceeds at loan closing)
- ❖ Inspection fee: greater of 1% of repairs or \$30 per unit (payable out of mortgage proceeds)

#### Processing Fee:

- ❖ Typically \$25,000 – includes cost of third party reports (appraisal, market analysis, environmental and physical needs assessment) and lender due diligence
- ❖ Borrower 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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