

[www.huntmortgagegroup.com](http://www.huntmortgagegroup.com)

For more information on  
HUNT MORTGAGE GROUP,  
please contact:

**KATHRYN BURTON GRAY**

917.679.9982  
kathryn.burtongray@huntcompanies.com

**JAMES SCRIBNER**

203.536.3578  
james.scribner@huntcompanies.com

**JASON SMECK**

614.571.2179  
jason.smeck@huntcompanies.com

**BRADY JOHNSON**

949.558.8297  
brady.johnson@huntcompanies.com

## HUD 232 NEW CONSTRUCTION OR SUBSTANTIAL REHABILITATION

Nursing Homes, Assisted Living Facilities, Intermediate Care Facilities,  
Board & Care Homes

Eligible Properties	New construction or substantial rehabilitation of Nursing Homes, ALF's, Intermediate Care Facilities, Board and Care Homes.
Borrower	Single asset and single purpose entity, either for-profit or non-profit.
Recourse	Fully non-recourse during both construction and permanent phases of financing.
Loan Amount	No limits.
Maximum Mortgage Limits	The lesser of: (a) 80% LTV* (b) 90% of replacement costs plus land / as built value (c) 1.45 DSCR
For ALF's	75% of value, including major movable equipment, 1.45 DSCR.
Amortization & Term	Interest only during construction period, plus 40 years fully amortizing.
Mortgage Insurance Premium	1.54% payable at closing, 0.77% annually.
Escrows	Escrows for taxes, insurance, replacement reserves & mortgage insurance premium are required.
Federal Labor Standards	Federal prevailing wage & reporting requirements.
Assurance of Completion	Payment & performance bond or cash deposit/LOC.
Secondary Financing	Permitted under certain conditions at closing.
Commercial Space	Permitted up to 10% of GFA and 15% of Gross Income.
Third Party Expense Deposit	Estimated to be \$35,000 for market study, appraisal, architectural and costs review and environmental reports.
Legal / Closing Costs	Estimated to be \$25,000 payable to HMG's closing counsel at initial endorsement.
Professional Liability Ins.	Minimum \$1,000,000/\$3,000,000 coverage for operators/managers. Waivers available in Tort Reform states.
Working Capital	Cash or LOC equal to 4% of the mortgage amount (2% for substantial rehabilitation).
Application Process	Cash or LOC determined during underwriting
HUD Review Time	Choice of Direct to Firm Application or Two-Stage Application Process.

\*Non-profit SNF Borrowers are subject to 85% LTV; non-profit ALF Borrowers are subject to 80% LTV.