

# NURSING HOME / ASSISTED LIVING LOANS

**PURPOSE** - A living arrangement in which people with special needs, especially seniors with disabilities, reside in a facility that provides help with everyday tasks.

## LOAN CRITERIA\*

### Borrower

- Good credit history
- Management experience helpful

### Property Description

- Property must be licensed
- Minimum - three years in operation
- Minimum – 80% occupancy rate

### Property History

- Minimum of one year of operation with a stable or growing N.O.I.

### Loan Amount

- From \$2, 000,000. Mezzanine financing available.

### Loan Term

- 5, 7, 10 and 20 years, up to 35 years amortization, fixed rate,

### Closing Period

- 30 to 60 days

### Interest Rates

- 200 to 400 basis points over the corresponding Treasury Bills' Index. Fixed and floating rates are available.

### Debt Service Coverage Ratio

- 1.17 or higher (1.11 for non-profits)

### Loan to Value Ratio

- Up to 80%

### Use of Funds

- An explanation as to how the loan will be utilized.

### Collateral

- First lien position on the property

### Reserves

- Tax, insurance, and a replacement reserve accounts must be established and funded. capital replacements and re-leasing costs and rental interruption

**Property Locality**

- United States only

**Basic Documents**

- Description of property.
  - Franchise agreement, if applicable
  - Color photographs – interior & exterior (property and neighborhood).
  - Copy of building layout and site plan
  - Map – indicate the location of property
  - Occupancy history - past three years
  - Parking Information – no. of spaces and no. of handicapped spaces
  - Résumés of principals and key employees
- Financial Information
  - Copies of mortgage agreement(s)
  - Financials – past three years and YTD.
  - Operating statement for the past three years
  - Three-year pro forma on a monthly basis
- Miscellaneous Information
  - Corporate federal income tax returns – past three years
  - Personal federal income tax returns of 20% or more owners – past three years, if applicable
  - MAI appraisal

**\*Basic criteria subject to change without notice.**