



FHA Mortgage Insurance Programs

LEAN 232/223(f)

New Construction and Substantial Rehabilitation of Healthcare Facilities

Program Overview:	The LEAN 232/223(f) program is a financing program designed for acquisitions or refinancing of existing healthcare facilities including Skilled Care Nursing Homes, Intermediate Care, Assisted Living and Personal Care facilities.
Borrowers:	Single purpose entities that can either be profit or non-profit motivated.
Personal Liability:	None. Loans are non-recourse.
Loan Amount:	There is no maximum loan cap associated with this program.
Term:	35 year term.
Amortization:	Loan is fully amortized.
Loan-to-Value:	80% of the project's value for profit motivated skilled nursing facilities and assisted living facilities and 85% of the project's value for non-profits skilled nursing and assisted living facilities.
Interest Rates:	Interest rates are fixed at closing. Rates are typically set lower than conventional financing due to the credit enhancement provided by FHA at closing.
Assumability:	Loans are fully assumable.
Prepayment:	Terms are negotiable with no yield maintenance or achievement clauses. Standard provisions include a short lockout period followed by a declining prepayment penalty computed as a percentage of the loan until reaching 0% after ten years.
Mortgage Insurance Premium:	A mortgage insurance premium is paid annually based on the outstanding principal. Premium is 1% for the first year and ranges between .45% and .65% annually depending on the project.

For any questions pertaining to FHA Mortgage Insurance Loan Programs please contact Gershman Mortgage. Gershman Mortgage will assist borrower in conducting loan analysis on potential or existing projects. For any questions please visit www.gershman.com or contact Gershman Mortgage directly at (314)-889-0600.

