

DOUGHERTY MORTGAGE LLC

Fannie Mae Seniors Housing

Summary

The Fannie Mae Seniors Housing product line provides tax exempt and/or taxable financing for the acquisition or refinance of Independent Living, Assisted Living, and Alzheimer's Care facilities, or any combination thereof per applicable eligibility requirements.

Eligibility:

- ❖ Acquisition or refinance of stabilized seniors housing facilities
- ❖ Fixed and adjustable-rate mortgage (ARM) permanent financing options are available
- ❖ Independent Living (IL), Assisted Living (AL), and Alzheimer's Care (ALZ) facilities
- ❖ No stand-alone Skilled Nursing, or properties with entrance fees permitted
- ❖ Stand-alone ALZ facilities permitted on an exception basis
- ❖ Skilled Nursing component may not exceed 20% of NOI
- ❖ Experienced owners/operators – must have a minimum 5 years' experience with a minimum of 5 properties required with waivers available on an exception basis

Loan to Value:

- ❖ 75% maximum for IL and/or AL components (80% for tax-exempt bonds)
- ❖ 70% maximum for ALZ component
- ❖ Decrease applicable LTV by 5% for cash-out transactions
- ❖ 70% maximum for any property containing Skilled Nursing

Loan Term:

- ❖ 5 to 30 years
- ❖ Increase applicable DSCR by 5 bps for any transaction with a loan term less than 10 years

Amortization: Up to 30 years

Debt Service Coverage Ratio:

- ❖ 1.30x minimum for IL Component
- ❖ 1.40x minimum for AL Component
- ❖ 1.45x minimum for ALZ Component
- ❖ 1.50x minimum for Skilled Nursing Component

For combinations of IL, AL, and ALZ, minimum DSCR is determined by a weighted average based on unit mix; special rules apply.

Interest Rate*: Daily pricing indications based on current market conditions and risk

Prepayment: Yield Maintenance or Fee Maintenance (tax-exempt bonds) with no prepayment penalty during the three months prior to maturity

Guaranty: Non-recourse with Standard Carve-Outs

Subordinate Financing: Permitted subject to Fannie Mae requirements

Tax-Exempt Funding: For properties eligible for tax-exempt financing, Dougherty & Company LLC will underwrite the tax-exempt bonds through its in-house securities broker/dealer

Assumption: Available, subject to lender's review and approval and 1% fee

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Requirements and Fees

Occupancy Requirements:

- ❖ 90% Average Economic Occupancy for the preceding 12 consecutive months for IL
- ❖ 90% Average Economic Occupancy for the preceding 15 consecutive months for AL/ALZ, or properties with Skilled Nursing units

Reserves: Deposits required for Replacement Reserves, Taxes, and Insurance

Processing Fee:

- ❖ Typically \$20,000 – Includes cost of Third Party Reports (Appraisal, Environmental and Physical Needs Assessment, Regulatory Compliance, Management Operations) and Lender Due Diligence
- ❖ Borrower is responsible for Legal Fees and Standard Closing Costs

Commitment Fees: Competitive and negotiable

Rate Lock Fee: 2% of loan amount – refunded following delivery

**Contact us for current rates and terms.*