

FANNIE MAE SENIORS HOUSING

Program Description:	Lancaster Pollard Mortgage Company is a Fannie Mae Seniors Housing Program lender and servicer, providing permanent financing for qualified properties. The program provides intermediate and long-term fixed or variable rate non-recourse loans in a timely and cost efficient manner for the refinance or acquisition of stabilized properties.
Property Types:	Independent Living (including those providing supportive services), Assisted Living (including special care for Alzheimer's), and combinations thereof.
Eligible Sponsors:	A Key Principal must demonstrate a minimum of five years experience in comparable properties and ownership of five seniors housing properties.
Recourse:	Non-recourse, except standard carve-outs for Key Principals for fraud and other "bad acts."
Term:	From five-year balloon maturities up to 30-year fully amortizing maturities. Balloon maturities shorter than 10-years must meet slightly more stringent underwriting guidelines.
Amortization:	Up to 30 years.
Prepayment:	Typically yield maintenance up to six months prior to maturity. Declining and fixed-percentage prepayment premiums can be negotiated on fixed-rate loans and are standard on variable rate and tax-exempt funded transactions.
Assumability:	Yes, with approval by Lancaster Pollard and Fannie Mae.
Eligibility:	Properties must be stabilized and evidence average occupancy of 90% over the previous 12 months for IL or 15 months for AL. Buildings must be fully equipped with sprinkler systems. Minor rehabilitation or repair of the property is permitted.
Loan to Value Ratios:	Up to 75% (80% for tax-exempt).
Debt Coverage Ratios:	Minimum coverage of 1.30x for Independent Living and 1.40x for Assisted Living. Loans with terms less than 10 years must add .05x to minimum coverages.
Borrower:	Single purpose entity (SPE) owning Fannie Mae mortgaged property only. Multiple properties may be owned by SPE if all properties are mortgaged by Fannie Mae.

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Application Costs:	Approximately \$25,000 (non-refundable) for third-party reports, including appraisal, capital needs assessment, environmental, and management and operating reports. All third party reports must be contracted by Lancaster Pollard.
Pricing:	Fees and interest rates are quoted daily. Contact Lancaster Pollard for specific pricing.
Rate Lock:	30 to 90-day commitments are available. Extended rate locks of up to 1-year are available in advance of closing.
Escrows:	Replacement Reserve account and monthly impounds for taxes and insurance are required.
Loan Funding:	Loans are underwritten and funded at closing by Lancaster Pollard, as the approved Fannie Mae Seniors' Housing lender, then sold to Fannie Mae or converted to a Fannie Mae mortgage-backed security (MBS) for sale by Lancaster Pollard. Lancaster Pollard will act as servicer for the life of the loan.
Tax-Exempt Funding:	For properties eligible for tax-exempt financing (either 501(c)(3) or properties meeting Section 142 low income set-asides), Lancaster Pollard & Co. will underwrite the tax-exempt bonds through its in-house securities broker/dealer.
Supplemental Loans:	Supplemental loans are available through Fannie Mae at least 12 months after initial loan closing.