Financing Progress

LANCASTER POLLARD

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.
Purpose:	Acquisition or refinance.
Property Types:	Independent Living (including those providing supportive services), Assisted Living (including special care for Alzheimer's), and combinations thereof.
Eligible Sponsors:	The sponsor generally must have successfully owned or operated other seniors housing properties of commensurate type, size and service levels as the project for which the loan is being considered.
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.
Amortization:	Up to 30 years. Interest only considered on a case-by-case basis.
Prepayment:	Typically yield maintenance up to six months prior to maturity. Other options may be available on a negotiable basis.
Assumability:	Yes, with approval by Lancaster Pollard and Fannie Mae and payment of 1.0% assumption fee.
Eligibility:	Properties typically evidence average occupancy of 90% over the previous 12 months for independent living or 15 months for assisted living, with waivers considered on a case-by-case basis. 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.
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.

Application Costs:	Approximately $17,500 per project for underwriting and 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 180-day commitments are available. Extended rate locks of up to 1-year are available in advance of closing, subject to Fannie Mae approval.
Escrows:	Replacement Reserve account and monthly impounds for taxes and insurance are typically 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.