

# FHA Section 232/223(f)

## Acquisition or Refinance of Existing Healthcare Facility

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### Executive Summary:

**Cosmopolitan Capital Funding, LLC.** is an FHA-approved Mortgagee and MAP/LEAN lender that actively arranges long-term, fixed rate, non-recourse financing for the refinance or acquisition of existing of nursing homes, assisted living facilities board & care facilities, and residential care facilities nationwide. HUD no longer requires substantial rehabilitation to be completed as part of transactions under this section. CCF utilizes the Office of Health Care Facilities (“OCF”) new initiative “LEAN Processing” to expedite the underwriting and approval of loans under Section 232/223(f).

### Loan Features:

- Nationwide lending territory
- Loan amount up to 80% of value for profit-motivated borrowers or up to 85% of value for non-profit borrowers. 100% of cost to refinance if less than LTV's
- Fully amortizing loan of up to a 35 year loan term or 75% of remaining economic life, whichever is less
- Fully assumable
- Low, fixed interest rates with negotiable prepayment options
- Non-recourse
- No rent control restrictions or limitations on owner's return
- Monthly escrows required for HUD Mortgage Insurance Premium (MIP), Replacement Reserves and Property Taxes and Insurance
- Mortgage proceeds may be used to pay for acquisition or refinancing costs, including the hard cost of repairs, replacements, improvements, initial deposit to the replacement reserve

### Eligible Projects:

Eligible projects are existing healthcare facilities at least three years old nationwide. Three years is calculated from the date of the final certificate of occupancy or from the date of completion of a substantial rehabilitation to the date the Firm Commitment application is submitted for FHA mortgage insurance.

Minor repairs or improvements are allowed under the 232/223(f) program so long as the amount of work does not meet or exceed any of the following criteria:

- a) Replacement of at least 51% of two major building components (i.e. Roof, HVAC system, new windows, etc.)
- b) The rehabilitation cost is equal to or greater than 15% of the appraised value of the project after the work is in place

### Contact:

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