

FHA Section 232

New Construction or Rehabilitation Healthcare Facilities

Executive Summary:

Cosmopolitan Capital Funding, LLC is actively arranging long-term, fixed rate, non-recourse financing for the new construction or substantial rehabilitation of nursing homes, board & care facilities, assisted living facilities and residential care facilities nationwide. COSMOPOLITAN utilizes the Office of Insured Health Care Facilities (“OHF”) new initiative “LEAN Processing” to expedite the underwriting and approval of loans under Section 232.

Loan Features:

- Nationwide lending territory
- New construction or substantial rehabilitation of certain healthcare facilities
- Flexible construction /rehab term plus up to 40 year permanent loan term
- Fully Amortizing & 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 and major movable equipment
- New additions can be included in the mortgage transaction but cannot be considered when determining if the project meets HUD's requirements for substantial rehabilitation

Eligible Projects:

Eligible projects include proposed new construction, acquisition with substantial rehabilitation and refinance with substantial rehabilitation of existing healthcare facilities nationwide. COSMOPOLITAN prefers to work on projects of 40 beds or larger. Existing projects involving rehabilitation work must meet one or more of the following to qualify:

- a) Replacement of at least 51% of two major building components (i.e. roof structure, HVAC system, elevators, etc.)
- b) The rehabilitation must meet or exceed 15% of the appraised value of the project after the work is completed.

For additional information, please contact:

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