

## Fannie Mae Seniors Housing Program

<b>Description</b>	Non-recourse, assumable financing for the acquisition or refinance of stabilized independent living (IL) and assisted living (AL) properties. Properties that assist residents with Alzheimer's (ALZ) and/or Dementia are eligible for financing under Fannie Mae's Seniors Housing Program. IL communities must have achieved and sustained at least an average of 90% economic occupancy for the preceding 12 consecutive months. AL communities must have maintained this occupancy for the preceding 15 consecutive months. Newly constructed and stabilized Senior Housing facilities, as well as campuses containing skilled nursing beds, are also eligible for Fannie Mae's Senior Housing program on a case-by-case basis. Buildings must be fully sprinklered. At least 80% of the beds must be private pay. Properties with high buy-in fees are not eligible.
<b>Loan Amount</b>	Minimum \$5,000,000, with exceptions on a case-by-case basis. Supplemental Loans are available under the Fannie Mae Seniors Housing Program.
<b>Loan Terms</b>	5, 7, 10, 15, or 18 year balloons; 20, 25 and 30 year fully amortizing.
<b>Amortization</b>	30 years maximum.
<b>Loan-to-Value Maximum</b>	Maximum 75% of appraised value; maximum of 80% for tax-exempt bond financed transactions.
<b>Coverage Minimum</b>	1.30x for independent living; 1.40x for facilities with an assisted living and/or Alzheimers component greater than 50%. Coverage for properties with less than 50% AL or ALZ will be on a weighted average basis. Coverage ratios are reduced by 5 basis points for tax-exempt bond financed transactions; for example, 1.25x for independent living.
<b>Borrower</b>	Domestic single asset borrowing entity is required. Ownership and management must demonstrate at least five years' experience with properties of similar composition, and should have a minimum of five properties in their portfolio.
<b>Interest Rate</b>	Risk-based pricing. Fixed rate transactions are benchmarked off of the associated Treasury Bill. Adjustable rate transactions are benchmarked off of 30 or 90 day LIBOR. Pricing for facilities with 50% or more assisted living and/or Alzheimer's units is 30 basis points higher than that for buildings that are predominantly independent. Low leverage, large or pooled transactions may qualify for pricing waivers.
<b>Prepayment</b>	Yield Maintenance, Defeasance and Graduated Prepayment Premium

*Continued on Reverse*

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<b>Third Party Reports</b>	MAI appraisal, Physical Needs Assessment, Environmental Phase I Assessment and Management and Operations Assessment are required for all deals; Seismic Report is required for properties in Seismic Zone 4. A Regulatory Compliance Report is required for AL and AL/ALZ properties.
<b>Reserves</b>	Tax and insurance escrows are required. Repair and Replacement escrow funding is required, based on the greater of the engineer's Physical Needs Assessment or \$300 per unit per year.
<b>Application Fee</b>	Approximately \$17,000, to cover third party reports.
<b>Origination Fee</b>	One percent of loan amount. Origination fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate.
<b>Legal Fees</b>	Approximately \$15,000, varying with characteristics of the transaction.
<b>Timing</b>	For new Borrowers, 60-90 days from commencement of the Pre-screen process to closing; dependent on 3rd party report timing and borrower's submission of due diligence. This timing can be reduced by 30 days for repeat Borrowers.
<b>Rate Lock</b>	Rate lock occurs after borrower's acceptance of commitment. 30- to 90- day commitments available. Extended Rate Lock feature is also available, allowing the borrower to lock a rate 45 to 365 days in advance of closing.