

# Freddie Mac Seniors Housing Loan Program

GREYSTONE



## Description

Non-recourse, assumable financing for the acquisition or refinance of stabilized independent living (IL) and assisted living (AL) properties; Properties that assist residents with memory care (MC) are eligible for financing under Freddie Mac's Seniors Housing Program; Properties should have achieved and sustained at least an average of 90% occupancy for the preceding 90 days; Newly constructed and stabilized Senior Housing communities, as well as campuses containing skilled nursing beds, are eligible for Freddie Mac's Senior Housing program financing, on a case-by-case basis; Buildings must be fully sprinklered; At least 75% of the beds must be private pay unless a waiver is granted; Buy-In and Rental Continuing Care Retirement Communities (CCRC's) are also eligible, on a case-by-case basis

## Loan Amount

Minimum \$5,000,000, with exceptions on a case-by-case basis; Supplemental Loans are available under the Freddie Mac Seniors Housing Program

## Loan Terms

5-15 years

## Amortization

Up to 30 years

## Loan to Value Maximum

Maximum 75% of appraised value, maximum of 80% for tax-exempt bond financed transactions

## Coverage Minimum

1.30x for independent living; 1.40x for properties with an assisted living component greater than 50% and/or memory care component less than 40%; Coverage minimum for properties containing any skilled nursing component is 1.45x

## Borrower

The Borrowing entity must satisfy all Single Purpose Entity requirements of the Freddie Mac Seniors Housing Program; Ownership and management must demonstrate previous experience with properties of similar type, size and service level

## Interest Rate

Risk-based pricing; Fixed rate transactions are benchmarked on the associated Treasury Bill; Variable rate transactions are benchmarked on the 30 or 90-day LIBOR

## Prepayment

Defeasance and Graduated Prepayment

## Third Party Reports

MAI Appraisal, Physical Needs Assessment, Environmental Phase I Assessment, and Zoning Report are required for all transactions; Seismic Report may be required for properties in Seismic Zones 3 and 4; A Seniors Housing Liability Assessment is required for licensed properties

## Reserves

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

## Greystone Application Fee

\$25,000, covers underwriting costs and third-party reports

## Origination Fee

1% of the loan amount

## Freddie Mac Application Fee

Greater of \$5,000 or 0.15% of the loan amount

## Lender Legal Fees

Approximately \$25,000, varying with characteristics of the transaction

## Timing

For new Borrowers, 60–90 days from the commencement of the Pre-screen process to Closing; dependent upon third party report timing and Borrower's submission of due diligence; This timing is reduced for repeat Borrowers

## Good Faith Deposit

2% of the loan amount; 75% refundable at closing with the remaining 25% refundable at loan delivery

## Rate Lock

Rate lock occurs after Borrower's acceptance of the commitment; Extended Rate Lock feature is also available, allowing the Borrower to lock a rate 45 to 180 days in advance of Closing