

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 85% occupancy for the preceding 90 days; Newly constructed and stabilized Senior Housing communities, as well as campuses containing skilled nursing beds (maximum 20% of NOI), 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 and gross income 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 \$3,000,000, with exceptions on a case-by-case basis; Supplemental Loans are available under the Freddie Mac Seniors Housing Program

Loan Terms

5-10 years (up to 30 years for fixed-rate loans)

Amortization

Up to 30 years

Loan to Value Maximum

Maximum 75% of appraised value

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; Coverage for stand-alone memory care communities is 1.60x

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-Day SOFR Average

Prepayment

- Fixed Rate: Defeasance and Graduated Prepayment
- Variable Rate: 1 Year Lockout; 1% Thereafter

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; 100% refundable at closing

Rate Lock

Rate lock occurs after Borrower's acceptance of the commitment; early rate-lock and Index Lock options are available for eligible sponsors. Quoted loan spreads are held for 75 days from signed loan application.

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