



# CAMBRIDGE

Realty Capital Companies

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**CAMBRIDGE SAYS COMPANY'S FIRST CLOSING UNDER HUD'S NEW LEAN PROGRAM IS SKILLED NURSING HOME IN BEAVER DAM, KY.**

Cambridge Realty Capital Companies says the 83-bed Beaver Dam Nursing & Rehab Center in Beaver Dam, Ky., is the first nursing home facility to be refinanced by the company using HUD's new Lean funding process.

Cambridge Chairman Jeffrey A. Davis said a \$4.2 million FHA-insured loan was arranged for the owner, a Kentucky limited liability company, by Cambridge Realty Capital Ltd. of Illinois, the Cambridge subsidiary that underwrites HUD loans for nursing home facilities.

Chicago-based Cambridge is one of the nation's leading senior housing/healthcare lenders, with more than 300 closed transactions totaling more than \$2.75 billion since the mid-1990s. The company has consistently ranked among the top FHA-approved HUD lenders in the country.

Davis said the Beaver Dam nursing facility has 58 skilled and 25 personal care beds. The fully-amortized 26-year first mortgage loan was underwritten utilizing HUD's Section 232 pursuant to 223(f) program, which is used to refinance existing HUD loans.

"We're especially pleased to be able to announce this historic first for Cambridge. We fully anticipate that it will be the first of many transactions underwritten by our company in an exciting new era for HUD and healthcare borrowers," Davis said.

He points out that sweeping changes have radically altered the way HUD applications and loans are being processed and approved. By organizationally restructuring and adopting the highly touted "Lean" management concept pioneered by Toyota Motor Corp., HUD made a bold commitment to process loans on a timetable that more closely resembles the timing for conventional loans, he noted.

In a significant change, responsibility for processing HUD Section 232 loans has shifted from HUD field offices to the FHA's Office of Insured Health Care Facilities (OIHCF) in Washington, D.C., which also has jurisdiction over the HUD Section 242 hospital mortgage insurance program.

"The idea behind this move was to create a unified, single-source for program and policy development, and a more consistent and user-friendly platform for borrowers and lenders," Davis said.

With the Lean management process, loan applications are filed electronically, feature fewer exhibits, and require "conventional" market-basket appraisals instead of HUD-specific reports. Eventually, the goal is to review an application, issue a commitment and get to closing within 40 days, he added.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading senior housing and healthcare debt and equity capital providers, with more than 300 closed transactions totaling more than \$2.75 billion since the mid-1990s.

Cambridge has consistently ranked among the country's top FHA-insured HUD lenders and offers conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's growing debt / equity financing strategy includes direct property acquisitions, joint ventures, distressed debt acquisitions and sale/leasebacks.

Cambridge is the creator of *The Signature Experience™*, a four-step process designed to transform the traditional lender / borrower relationship and identify "ideal" capital solutions for worthy projects. The company also has created four separate processes for customer groups that are designed to build and enhance long-term relationship potential and speed the way loans are processed and closed. Programs include *The Key To Capital™* for senior housing owners, *The Navigator Experience™* for senior housing brokers and mortgage bankers, *The Principal Lender Network™* for lenders who refer loans to Cambridge, and *The Relationship Building Experience™* for various industry-related consultants, including lawyers and accountants.

The company has an affiliate office in Los Angeles, and correspondent relationships nationwide. The firm also has established key origination relationships and numerous Internet-based strategies.

Cambridge's award-winning Web site, [www.cambridgecap.com](http://www.cambridgecap.com), provides current updates for its debt and equity capital programs. The company also publishes the bi-monthly e-Pulse! ® electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients. For additional information, contact Cambridge at (312) 357-1601 or via e-mail to [info@cambridgecap.com](mailto:info@cambridgecap.com).

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