



# CAMBRIDGE

Realty Capital Companies

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FOR IMMEDIATE RELEASE

6/30/2009

CRC - 1560

## QUESTIONS ABOUT POPULAR NEW HUD 232 LEAN FUNDING PROGRAM ANSWERED IN “PRIMER” CREATED BY CAMBRIDGE REALTY CAPITAL

Cambridge Realty Capital Companies Chairman Jeffrey A. Davis says the company's staff has created a 23-page document that attempts to answer everything clients will want to know about the new HUD 232 LEAN financing program for nursing homes and assisted living properties, including “answers to questions they may not ever think to ask.” The company believes this document is the first of its kind in an attempt to consolidate various elements of HUD Lean and should be an important tool for owners, brokers and other interested parties.

Cambridge is one of the nation's leading senior housing healthcare lenders and has consistently ranked among the top FHA-approved HUD lenders over the past 10 years. Davis says the document, *HUD 232 LEAN Financing -- A Primer*, has been posted on the company's corporate website, [www.cambridgecap.com](http://www.cambridgecap.com)

The HUD 232 LEAN program, introduced last summer, seeks to eliminate bureaucratic red tape and dramatically reduce the time it takes to apply, qualify for and obtain popular HUD financing for nursing homes and assisted living properties. As part of a major reorganization, administrative responsibility for HUD 232 healthcare loans passed to the FHA's Office of Insured Health Care Facilities (OIHCF), the group that also coordinates funding for HUD's Section 242 hospital mortgage insurance program.

Effectively, with this change, OIHCF has become a unified single-source for the HUD 232 program, which in the past had been administered unevenly by FHA housing professionals in HUD field offices scattered throughout the U.S.

“Logically, placing nursing home and assisted living loans with the same individuals who underwrite loans for other types of medical facilities seems like a good idea. But it is the decision by FHA Commissioner Brian Montgomery to insert the highly touted “Lean” management concept pioneered by Toyota Motor Corp. into a moribund bureaucratic process that has excited everyone in the industry,” Davis said.

He points out that the “Lean” management process is driven by a few simple rules. All work should be highly specified as to content, sequences, timing and outcome, and every customer-supplier connection

must be direct. Also, there needs to be an unambiguous “yes or no” way to send requests and receive responses.

The *Primer* published by Cambridge points out that HUD 232 applications are now submitted via an electronic portal on the internet. Applications require fewer exhibits and conventional market-based appraisals are being used instead of HUD-specific reports.

The timeframe for loans today is 60 to 90 days from engagement to closing, which compares with four- to six-months under the old MAP program, Davis said.

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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