



e-PULSE!™ *Extra!*

New Cambridge (a)(7) Advantage Program Helps HUD Borrowers Refinance at Favorable Rates!

*An on-demand email publication discussing capital availability for a wide variety of senior housing projects
- by Cambridge Realty Capital Companies.*

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Cambridge Realty Capital Companies, one of the nation's leading HUD 232 Lean-approved lenders, has introduced the *Cambridge HUD (a)(7) Advantage* program to help senior housing/healthcare borrowers with existing HUD loans refinance at the most favorable market rates.

Chairman Jeffrey A. Davis said the new Cambridge program utilizes HUD's 223(a)(7) funding vehicle and makes sense for any borrower who has an existing HUD loan with a 7 percent or higher interest rate.

The (a)(7) loans are processed more quickly than other HUD loans and provide funds to pay any prepayment penalties, closing costs and approved capital improvements. Typically, costs associated with the refinancing program are recovered within 12 to 24 months, he said.

"As long as refinancing is past the lockout period, paying prepayment penalties makes sense with interest rates at current levels. HUD rates closely mirror what's happening with rates for 10-year Treasury notes, and remain below 5 percent at this time," Davis noted, adding:

"There continues to be some confusion regarding the advantages of the (a)(7) program. We're currently involved in discussions with a number of owners, explaining to them the cost-effective advantages of this approach."

Davis says non-recourse (a)(7) loans are fully assumable and offer 35-year maximum term and amortization. Loan amounts range between \$2 million and \$250 million.

Eligible owners must provide verification of an existing insured mortgage and verification of any other second or unsecured debt of the mortgage. For an executive summary of this program, [click here](#).

Financing Information Group

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