



CAMBRIDGE

Senior Housing & Healthcare Capital

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PRESS RELEASE

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HUD MORE FLEXIBLE THAN SOME MIGHT IMAGINE

It's not a well-kept secret. Obtaining approval for attractive HUD financing can be more time-consuming or problematic than some senior housing/healthcare borrowers care to abide.

"Flexibility is not a word borrowers usually associate with the FHA-insured product," says Cambridge Realty Capital Vice President Tony Marino.

Cambridge consistently is ranked among the top HUD lenders in the country. Mr. Marino manages the company's permanent and construction HUD loan portfolios, working as liaison between property owners and the agency.

He says everyone knows HUD plays by very established rules and adheres to rigorous and demanding underwriting guidelines and standards. The agency is a stickler when it comes to details and can be relied upon to carefully scrutinize every document that passes first through the application and then the underwriting process.

"But the idea that HUD is rigid and inflexible is not supported by the facts. There are situations in which loans are approved for borrowers with issues that can be resolved," he said.

A loan payment that is late due to slow Medicaid payments from the state might be excusable. Or HUD might more readily work with owners whose situations require the repositioning of a property in the marketplace, or calls for improvements that will temporarily disrupt cash flow.

HUD also has been known to listen to creative solutions suggested by lenders, he noted.

Marino describes a situation in which a borrower was late on payments and in danger of foreclosure. For this borrower, Cambridge was able to suggest a creative solution involving cash from existing escrows and refinancing with HUD's 223(a)(f) funding program.

"We were able to bring the loan current and refinance the mortgage with a net savings to the borrower of \$20,000 per month," he said.

"HUD may not be quick to offer suggestions regarding the best way to resolve issues. But lenders who understand the rules and are able to come up with creative solutions find the agency is more receptive today than before."

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 400 closed senior housing transactions totaling more than \$4.5 billion since the early 1990's, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country's top five FHA-insured HUD lenders (now HUD Lean) over the last 15 years and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's principal investment strategy includes direct property acquisitions, joint ventures and sale/leasebacks. The company has acquired 16 facilities totaling approximately \$60 million.

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 has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly Capital Wisdom(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients as well as monthly updates of other relevant news and breaking trends. Additional information is available on the Cambridge website, www.cambridgecap.com, and Cambridge can be reached at (312) 357-1601 or via e-mail to info@cambridgecap.com. The firm also has embraced social media and networking via Twitter at <http://twitter.com/cambridgecap>, via Facebook at <http://www.facebook.com/cambridgecap>, via blog at www.cambridgecap.com/blog and via LinkedIn at <http://www.linkedin.com/companies/454232>, where information on the firm and its employees can be found.

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