



# CAMBRIDGE

*Senior Housing & Healthcare Capital*

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## PRESS RELEASE

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### REFINANCING A HUD LOAN GETS EASIER THE SECOND TIME AROUND

Some things never change but may get easier to work with over time.

For example, applying for and securing an FHA-approved HUD 232 loan has been likened to balancing the interests of borrowers, lenders and the government agency on a three-legged stool. This hasn't changed, but the challenge does get easier the second time around, says Cambridge Realty Capital Companies Chairman Jeffrey Davis.

Cambridge is one of the nation's leading senior housing/healthcare lenders, with more than \$4.5 billion in closed transactions. The company consistently ranks among the top FHA-approved lenders in the country.

"HUD still requires borrowers and lenders to present impeccably prepared documents and meet demanding underwriting criteria. However, for those borrowers seeking to refinance an existing HUD 232 mortgage loan, the process is not the chore it once was," he suggests.

Mr. Davis says HUD's 223(a)(7) funding program is used by borrowers whose existing HUD loans are beyond the lockout period. The lockout period refers to a time period between when a loan closes and when it can be refinanced, which varies depending upon a loan-specific set of circumstances.

"The timing for this type of financing is auspicious because interest rates today remain relatively low, and low rates equate to higher operating profits. Because the funding program enables borrowers to refinance the full original loan amount, additional funds for capital improvements are available to the borrower," he said.

He points out that FHA-approved HUD lenders like to see capital improvements in the assets they're holding. And they like the fact that debt service is the only major underwriting consideration involved in 223 (a)(7) loans.

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 Loan) 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*<sup>™</sup>, 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](http://www.cambridgecap.com), and Cambridge can be reached at (312) 357-1601 or via e-mail to [info@cambridgecap.com](mailto: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](http://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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