



CAMBRIDGE

Senior Housing & Healthcare Capital

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PRESS RELEASE

5/11/16

WHY IT'S IMPORTANT FOR BORROWERS TO EXPLAIN THEIR MOTIVES

Here are some important things senior housing/healthcare borrowers should keep in mind when applying for popular HUD financing programs.

"It's important that borrowers be prepared to thoroughly explain their business plans and motives. The need lenders have for information can appear to be insatiable at times," says Cambridge Realty Capital Companies Managing Director Sampada D'silva.

She says the last thing borrowers want to hear is that their lender will need even more descriptive information and data than has already been provided.

Cambridge is one of the nation's leading senior housing/healthcare lenders, with more than \$4.5 billion in closed transactions over the past 20 years. The company has consistently ranked among the top FHA-approved HUD lenders in the country.

Ms. D'silva notes that popular HUD 232 financing has emerged as the long-term funding product of choice for many senior housing/healthcare borrowers. With these loans there is effectively a two-tiered underwriting process - by the FHA-approved HUD lender initially and later by HUD during the application approval process.

For the lender, the primary underwriting concerns are the historical cash flow of a facility and the facility's occupancy. Typically, 12 months of trailing financials are needed. And occupancy must be at acceptable standards defined by HUD, she said.

Up until the time the application is submitted, financial and occupancy data must be monitored and updated. The most recent trailing 12 months numbers are needed to support the loan request.

Ms. D'silva says a debt service coverage ratio for the property must be met. There should be an upward trend for these numbers and for occupancy as well.

To guide borrowers, Cambridge provides a checklist of documents needed by underwriters on its corporate website.

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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