



# CAMBRIDGE

Realty Capital Companies

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## EXPERT SAYS PREPAYMENT PENALTIES SHOULD NOT DETER SENIOR HOUSING/HEALTHCARE BORROWERS FROM REFINANCING IN TODAY'S MARKET

If a prepayment penalty is all that's preventing you from refinancing your senior housing/healthcare mortgage loan at today's rock-bottom interest rates, read on.

"Today's low interest rate climate has created a wonderful opportunity for borrowers to refinance high interest rate loans. No prepayment penalty is so large that it should discourage a borrower from doing a thorough review and analysis of his/her own unique funding situation," finance expert Jeffrey A. Davis believes.

Davis is Chairman of Cambridge Realty Capital Companies, one of the nation's leading senior housing/healthcare lenders. An FHA-approved HUD Lean lender, Cambridge has closed more than \$4.5 billion in senior housing/healthcare loans over the past two decades.

"In essence, we have an environment that is awash with money and extensive Federal stimulus. The timing could not be better for senior housing/healthcare borrowers, even those who are faced with penalties if they refinance a current loan," he said.

According to Davis, Cambridge has developed a "payback analysis" process that shows borrowers how long it will take to pay back the cost of refinancing. In many instances, with HUD 232 financing, Cambridge has been able to pay the prepayment penalty or incorporate it into a new loan so that it effectively costs the borrower nothing.

"One of our clients has called this program the infinite return on investment," he said.

Davis says the Cambridge analysis considers all types of fixed prepayment penalties, yield maintenance prepayment penalties, and defeasance prepayment penalties.

"Low interest rates will not be around forever. Our advice to clients is that every day we're moving closer to the day when this unique interest rate environment will end," he 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 nursing home, [assisted living](#) and healthcare debt and equity capital providers, with more than 400 closed 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 and joint ventures, sale/leasebacks, conventional and mezzanine debt financing, and the acquisition of distressed debt.

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 e-PULSE!(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), via YouTube at <http://www.youtube.com/user/ePulseLive>, 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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