



CAMBRIDGE

Realty Capital Companies

125 SOUTH WACKER DRIVE | SUITE 1800 | CHICAGO, IL 60606 | M 312-357-1601 | F 312-357-1611
WWW.CAMBRIDGECAP.COM

PRESS RELEASE

4/28/14

CHANGES AT HUD ARE OPENING UP ACCOUNTS RECEIVABLE (AR) FINANCING OPTIONS, CAMBRIDGE CHAIRMAN SAYS

Some recent changes at the Department of Housing and Urban Development (HUD) are opening up accounts receivable (AR) financing options, Cambridge Realty Capital Companies reports in a PulsePoints blog posted on the company's corporate website.

Cambridge is an FHA-approved HUD lender and one of the nation's leading senior housing/healthcare lenders, with more than \$4.6 billion in closed senior housing/healthcare loans. Chairman Jeffrey A. Davis says changes in the language of HUD's AR financing Intercreditor Agreements will reduce confusion, clarify ambiguous statements and address concerns voiced by the AR lending community allowing deals to proceed to closing.

"The earlier version of the agreement left many deals on hold because the lack of clarity discouraged many AR lenders from signing them. The changes give providers the option of obtaining AR financing," he said.

Although the new language is still under public comment, HUD is allowing deals to close before the end of the comment period if both parties agree to accept terms in the new wording, he noted.

Davis says HUD has changed the definition of an AR loan obligation. Instead of describing particular types of indebtedness, liabilities and obligations that in the past had to be excluded and could not constitute AR loan obligations, the new definition takes a broader approach.

HUD also has clarified the events that trigger a cut-off time for when HUD will no longer subordinate its interest in the operator's accounts receivable, and clarified HUD's and the FHA-approved lender's notice and consent rights to address specific scenarios that were often considered to be troubling in the past.

Finally, Davis says HUD clarified what modifications can be made to the AR loan documents without HUD's consent or the consent of the FHA lender.

"These changes are significant and should make it easier for senior living providers to obtain AR loans under HUD's 232 program," he added.

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(TM)*, 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, and Cambridge can be reached at [\(312\) 357-1601](tel:3123571601) 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, 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.

###

Contact:

Evan Washington

Phone: [\(312\) 521-7610](tel:3125217610)

Fax: (312) 357-1611

E-Mail: ew@cambridgecap.com