



CAMBRIDGE

Senior Housing & Healthcare Capital

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PRESS RELEASE

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WHAT'S NEXT AFTER CLOSING ON A HUD LOAN?

You've closed on your HUD loan and that's a significant accomplishment. What's next?

Managing Director Sampada D'silva of Chicago-based Cambridge Realty Capital Companies suggests a small celebration might be in order. After this, borrowers will want to read and pay close attention to all the closing documents, especially the regulatory agreements.

Cambridge is one of the nation's leading senior housing/healthcare lenders, with more than \$5 billion in closed senior care transactions. The company has consistently ranked among the leading FHA-approved HUD 232 lenders in the country.

Ms. D'silva explains that a HUD Section 232 loan is a credit enhancement from the Department of Housing and Urban Development. The funding takes place by the selling of Ginnie Mae mortgage-backed securities.

HUD has the ability to provide long-term fixed rate permanent financing and construction loans. HUD loans offer a fixed-rate with an 80 percent loan-to-value ratio, and have up to a 30-year term and amortization.

The non-recourse loans are not callable and can be assumed, she said.

Ms. D'silva points out that a HUD loan escrows for property insurance and property taxes. It's the lender's job to handle these payments.

HUD requires annual audited financials on any real estate owned. Internally prepared financials on the operator are required on a quarterly and annual basis.

Borrowers should work closely with their HUD lenders regarding any planned or completed capital improvements so they can be reimbursed in a timely manner. And they should immediately notify the lender of any changes in the owner, operator or management entities, she advises.

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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