

Freddie Mac Seniors Housing Mortgage Program

Red Mortgage Capital, LLC is an approved Freddie Mac Seniors Housing Seller/Servicer. The Freddie Mac Seniors Housing Mortgage program offers multiple financing options with flexible terms specifically designed for the purchase or refinance of seniors housing properties including assisted living properties, independent living properties and properties with a limited amount of skilled nursing or dementia/Alzheimer's care. As an approved Seller/Servicer for Seniors Housing, **Red** will originate, underwrite and service senior housing loans nationwide.

Loan Amounts: \$3,000,000 and higher

Eligible Properties:

- Independent Living
- Assisted Living (>50% assisted living units)
- Skilled Nursing (max 20% of beds and 20% of facility NOI) or Dementia/Alzheimer's care (less than 40% of total units)
- Continuing Care Retirement Community (eligibility determined on a case-by-case basis)

Sponsor Characteristics: **Track Record:** Minimum 10 years of experience owning comparable properties. It is expected that sponsors demonstrate a solid background and level of expertise commensurate with the size, characteristics, and complexities of the subject property. Sponsor must own at least five seniors housing properties with a minimum of 500 units in the aggregate.

Financial Strength: Commensurate with loan size and overall risk level of transaction. Credit review of Sponsor and Manager must clearly reveal capitalization and profitability at levels that assure long-term viability.

Property Management: Minimum 10 years experience managing comparable properties. Must be underwritten with market rate fees with substantiation of evidence of qualified third party management availability with necessary experience and licensing with similar properties.

Term: Ranging from 5 to 25 years

Amortization: Up to 30 years

Prepayment: Varies depending on type of execution, i.e. Portfolio Loan or Capital Market Execution Loan, fixed or variable rate. Consult your **Red Mortgage Capital, LLC** representative for details.

Borrower: Experienced owner/operator of comparable facilities with a minimum of 10 years experience/5 properties (500 units)

Application Fee: Generally \$25,000 (non-refundable). Includes funds for Architectural/ Engineering Report, Phase I Environmental Report, Appraisal Report, Market Specialist Report and Property Inspection. All third party reports must be contracted by **Red Mortgage Capital, LLC**.

Pricing: Fees and interest rates are quoted daily. Contact **Red Mortgage Capital, LLC** for specific pricing.

Features:

- Fixed or Adjustable rate available
- Early rate-lock available
- Supplemental financing available
- Securitization available, please contact **Red Mortgage Capital, LLC** for specific requirements

Requirements:

- Escrow accounts for insurance, real estate taxes, special assessments
- Replacement reserve escrow

Loan Funding: Loans are underwritten and funded at closing by **Red Mortgage Capital, LLC**, as the approved Freddie Mac Seniors Housing Seller/Servicer, then sold to Freddie Mac. **Red Mortgage Capital, LLC** will act as servicer throughout the loan term.

Tax Exempt Financing: For properties with tax-exempt bonds (whether 501(c)(3) or private activity) Freddie Mac Credit Enhancements are available under certain circumstances.

Territory: Nationwide

Loan-to-Value Ratio and Amortizing¹ Debt Coverage Ratio:

Seniors Housing - Independent Living	Fixed Rate LTV/DCR			Adjustable Rate LTV/DCR (DCR at max note rate)		
	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)
Acquisition and No Cash-Out Refinance						
≥ 7 Year Term ²	75% / 1.30x	75% / 1.30x	60% / 1.35x	75% / 1.10x	75% / 1.10x	60% / 1.15x
< 7 Year Term	65% / 1.35x	60% / 1.40x	60% / 1.40x	65% / 1.10x	60% / 1.15x	60% / 1.15x
or Cash-Out Refinance						
≥ 7 Year Term ²	70% / 1.35x	70% / 1.35x	60% / 1.40x	70% / 1.15x	70% / 1.15x	60% / 1.20x
< 7 Year Term	65% / 1.40x	60% / 1.45x	60% / 1.45x	60% / 1.15x	60% / 1.20x	60% / 1.20x

Seniors Housing - Assisted Living (> 50% AL Units)	Fixed Rate LTV/DCR			Adjustable Rate LTV/DCR (DCR at max note rate)		
	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)
Acquisition and No Cash-Out Refinance						
≥ 7 Year Term ²	75% / 1.40x	75% / 1.40x	60% / 1.50x	75% / 1.20x	75% / 1.20x	60% / 1.25x
< 7 Year Term	65% / 1.45x	60% / 1.50x	60% / 1.50x	65% / 1.20x	60% / 1.25x	60% / 1.25x
or Cash-Out Refinance						
≥ 7 Year Term ²	70% / 1.45x	70% / 1.50x	60% / 1.45x	70% / 1.25x	70% / 1.25x	60% / 1.30x
< 7 Year Term	65% / 1.50x	60% / 1.55x	60% / 1.55x	60% / 1.30x	60% / 1.30x	60% / 1.30x

Seniors Housing - Skilled Nursing (Max 20% Of Beds)	Fixed Rate LTV/DCR			Adjustable Rate LTV/DCR (DCR at max note rate)		
	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)	Amortizing	Partial Interest-Only	Interest-Only (using amortizing payment)
Acquisition and No Cash-Out Refinance						
≥ 7 Year Term ²	75% / 1.45x	Ineligible	Ineligible	75% / 1.25x	Ineligible	Ineligible
< 7 Year Term	65% / 1.50x	Ineligible	Ineligible	65% / 1.25x	Ineligible	Ineligible
or Cash-Out Refinance						
≥ 7 Year Term ²	70% / 1.50x	Ineligible	Ineligible	70% / 1.30x	Ineligible	Ineligible
< 7 Year Term	65% / 1.55x	Ineligible	Ineligible	60% / 1.30x	Ineligible	Ineligible

¹ The debt coverage ratio (DCR) calculated for the Partial Interest-Only and Interest-Only period uses an amortizing payment.

² Top Tier Borrowers: add +5% LTV (10+ years only)

For additional information visit www.redcapitalgroup.com or contact:

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In its prequalifying review, **Red Mortgage Capital, LLC** will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

RED CAPITAL GROUP, LLC Offices
 Columbus, OH_Chicago, IL_Charlotte, NC_Dallas, TX_Fairfield, CT_Newport Beach, CA_Reston, VA_San Diego, CA

