

# Fannie Mae Seniors Housing Program

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| Description           | Non-recourse, assumable financing for the acquisition or refinance of stabilized independent living (IL) and assisted living (AL) properties; Properties that assist residents with Alzheimer's (ALZ) and/or Dementia are eligible for financing under Fannie Mae's Seniors Housing Program; IL communities must have achieved and sustained at least an average of 90% economic occupancy for the preceding 12 consecutive months; AL/ALZ communities must have maintained this occupancy for the preceding 15 consecutive months; Newly constructed and stabilized Senior Housing facilities, as well as campuses containing skilled nursing beds, are also eligible for Fannie Mae's Senior Housing program on a case-by-case basis; Buildings must be fully sprinklered; At least 80% of the beds must be private pay; CCRCs are eligible on a case-by-case basis |
| Loan Amount           | Minimum \$5,000,000, with exceptions on a case-by-case basis; Supplemental Loans are available under the Fannie Mae Seniors Housing Program   |
| Loan Term             | 5-, 7-, 10-, 15-, or 18-year balloons; 20-, 25- and 30-year fully amortizing  |
| Amortization          | 30 years maximum  |
| Loan to Value Maximum | Maximum 75% of appraised value; maximum of 80% for tax-exempt bond financed transactions  |
| Coverage Minimum      | 1.30x for independent living; 1.40x for facilities with an assisted living and/or Alzheimers component greater than 50%; Coverage for properties with less than 50% AL or ALZ will be on a weighted average basis; Coverage for stand alone Alzheimers facilities is 1.45x and coverage for properties containing any skilled nursing component is 1.50x  |
| Borrower              | Domestic single asset borrowing entity is required; Ownership and management must demonstrate at least five years' experience with properties of similar composition, and should have a minimum of five properties in their portfolio   |
| Interest Rate         | Risk-based pricing; Fixed rate transactions are benchmarked off of the associated Treasury Bill; Adjustable rate transactions are benchmarked off of 30 or 90 day LIBOR; Pricing for facilities with 50% or more assisted living and/or Alzheimer's units is 30 basis points higher than that for buildings that are predominantly independent; Low leverage, large or pooled transactions may qualify for pricing waivers  |
| Prepayment            | Yield Maintenance, Defeasance, and Graduated Prepayment Premium   |
| Third Party Reports   | MAI Appraisal, Physical Needs Assessment, Environmental Phase I Assessment and Management and Operations Assessment are required for all deals; Seismic Report may be required for properties in Seismic Zones 3 and 4; A Regulatory Compliance Report is required for licensed properties  |

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| Reserves        | Tax and Insurance escrows are required; Repair and Replacement escrow funding is required, based on the greater of the engineer's Physical Needs Assessment or \$300 per unit per year  |
| Application Fee | Approximately \$17,000; to cover third party reports  |
| Origination Fee | 1% of loan amount; Origination fee can be charged "outside" of the interest rate as a separate fee, or it can be built into the rate  |
| Legal Fees      | Approximately \$15,000, varying with characteristics of the transaction   |
| Timing          | For new Borrowers, 60-90 days from commencement of the Pre-screen process to closing; dependent on 3rd party report timing and borrower's submission of due diligence; This timing can be reduced by 30 days for repeat Borrowers |
| Rate Lock       | Rate lock occurs after borrower's acceptance of commitment 30- to 90- day commitments available; Extended Rate Lock feature is also available, allowing the borrower to lock a rate 45 to 365 days in advance of closing          |