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## **Getting it done with HUD financing: One of the best kept secrets in America**

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For apartments, assisted living facilities and skilled nursing facilities, the Department of Housing and Urban Development (HUD) has the best loan programs available in the U.S. Unfortunately, there is a misconception in the industry that preparing and processing an application for HUD insured financing is a painstaking process. While the execution of a HUD loan may not be as fast as other, conventional financing programs, HUD has a combination of unique benefits: fully amortizing terms of 35 to 40 years including new construction; low interest rates; and non-recourse new construction programs-making it one of the best kept secrets in America. Many owners are particularly attracted to the peace of mind that a property does not have to be refinanced under a short term balloon note, especially with the uncertainty of financing terms in the future. One of the major benefits of the HUD insured financing, especially for the construction programs, is the non-recourse provision.

In 2002, HUD implemented a program that has successfully accelerated the delivery of the mortgage insurance programs. The Multifamily Accelerated Processing (MAP) program dramatically reduced the time HUD requires for the review of mortgage insurance applications. Under MAP, the HUD approved MAP lender is responsible for the complete underwriting of the property before the application is submitted to HUD. Therefore, the loan parameters are known early in the process, and HUD is required to review the applications within 45 to 60 days.

At CWCapital, we continuously strive to streamline the delivery of HUD programs while working to ensure borrowers do not incur delays in the application process. Most delays occur when information is missing or clarification of details is required. We have found the simplest way to assure an expeditious HUD application review is to provide a thorough application package that addresses all possible questions. While this sounds simple, it requires experience and the expertise of HUD program and processes that CWCapital is proud to possess.

CW's expertise in this area can be further demonstrated by the new products we have developed to meet the changing needs of our HUD borrowers. Earlier this year, CWCapital launched a variable-rate bridge loan for healthcare facilities that facilitates and expedites access to the HUD fixed-rate permanent finance program. This bridge loan product allows us to offer eligible HUD borrowers the benefits and timing of a capital markets execution while obtaining the high leverage, long term benefits of a HUD loan.

At CWCapital we continue to analyze the dynamic changes taking place in healthcare, the multifamily industry, and the capital markets as a whole. In addition to HUD financing, we offer Fannie Mae, Freddie Mac, conduit, bridge, mezzanine and structured finance programs. Our depth of expertise in all areas allows us to respond market conditions, working with borrowers to assure delivery of the most appropriate and competitive financing solution. Based in Boston, we are a large, national and vertically integrated commercial real estate finance and investment management

company, and we bring more to the table than many of our competitors. Our comprehensive approach to managing the finance process-including commercial real estate lending, servicing, special servicing, capital markets expertise, and high-yield investment capabilities-coupled with our veteran professionals and a broad network of regional offices and loan underwriters allows us to respond to the intricacies of your local market. Because we know your market and manage the loan process from application to underwriting, closing and servicing, we have the unique ability to create custom lending solutions, providing you with the financing program you need, in the time frame you need it.

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