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Lucas of Love Funding secures \$7.273m for senior housing property

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Love Funding's Boston office closed a \$7.273 million refinance loan for a senior housing property. Leonard Lucas, first vice president and senior loan originator handled the transaction.

Lucas secured the loan for Casa Otonal Housing Corporation, a 105-unit, not-for-profit, section 8 elderly housing development. The property was built in 1985 pursuant to the HUD 202 program. The existing mortgage had a \$6.1 million balance and carried a 9.25% interest rate. Lucas employed the HUD 202/223(f) program; raised funds for needed property repairs and improvements; lowered the interest rate from 9.25% to a new fixed-rate of 6% with a 35-year amortization period; and reduced the annual debt service payment by \$41,785.

The non-profit borrower used mortgage proceeds in excess of the original mortgage balance to pay for all the costs associated with the transaction and substantially increase the Replacement Escrow Account. The borrower was also able to make \$1.5 million of needed repairs and desired improvements to this 20-plus year old property. Love Funding acknowledges the assistance provided by the Greater New Haven Community Loan Fund in the form of a loan to the borrower so that it could meet pre-closing costs associated with and included in the HUD loan.

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