



HUD Section 242 Hospitals

*Long-term, Fixed Rate Financing for the
New Construction or Substantial Rehabilitation of Hospitals*

This term sheet is provided as an overview and does not include all requirements for this product type.

ELIGIBLE PROPERTIES	Critical Access Hospitals and Acute Care Hospitals with demonstrated need such as Certificate of Need. At least 50% of patient days must be from acute care services; For existing properties, the Average Operating Margin must be greater than 0 and the Average Debt Service Coverage must be greater than 1.25x for the past three years.
QUALIFIED BORROWER	For-profit or non-profit single asset, single purpose entity.
LOAN AMOUNT	No minimum or maximum.
GUARANTEES	Nonrecourse except for standard carve-outs.
INTEREST RATE	Fixed for term of loan; locked after issuance of firm commitment.
TERM/AMORTIZATION	Up to 25 years; fully amortizing loan plus construction period with interest only.
ASSUMABLE	Fully assumable, subject to HUD approval.
PREPAYMENT	Negotiable; typically, a specified lock-out period then declining prepayment for 10 years.
COMMERCIAL SPACE	Up to 10% of the gross floor area.
LOAN SIZING	Loan Amount is the lesser of the following: <ul style="list-style-type: none">• Maximum 90% of replacement cost or value.• Minimum 1.25
THIRD PARTY REPORTS	Appraisal, Phase I, and Market Assessment. Borrowers pay for all reports.
REPAIRS	Amount of repairs must be greater than 20% of the mortgage amount.
DAVIS BACON ACT	Required for new construction and substantial rehabilitation.
ESCROWS	<ul style="list-style-type: none">• MIP, taxes, replacement reserves and insurance• Initial Operating Deficit typically for the first 12 to 18 months;• Monthly escrow into Mortgage Reserve Fund that will build to equal 1 year of debt service after 5 years; and 2 years of debt service after 10 years.• For proprietary ownership only, 2% working capital.
MORTGAGE INSURANCE	1.0% of loan amount due at closing; 0.70% of the loan annually.
HUD APPLICATION FEE	0.3% of the loan amount, half paid with application, half at closing.
INSPECTION FEE	0.5% of loan amount.
FINANCE/PLACEMENT FEE	Up to 2.0%/1.5% of the loan amount; payable at closing.
RATE LOCK DEPOSIT	Up to 1.0% of Loan Amount due at rate lock; refunded upon acceptance of loan by GNMA Investor.



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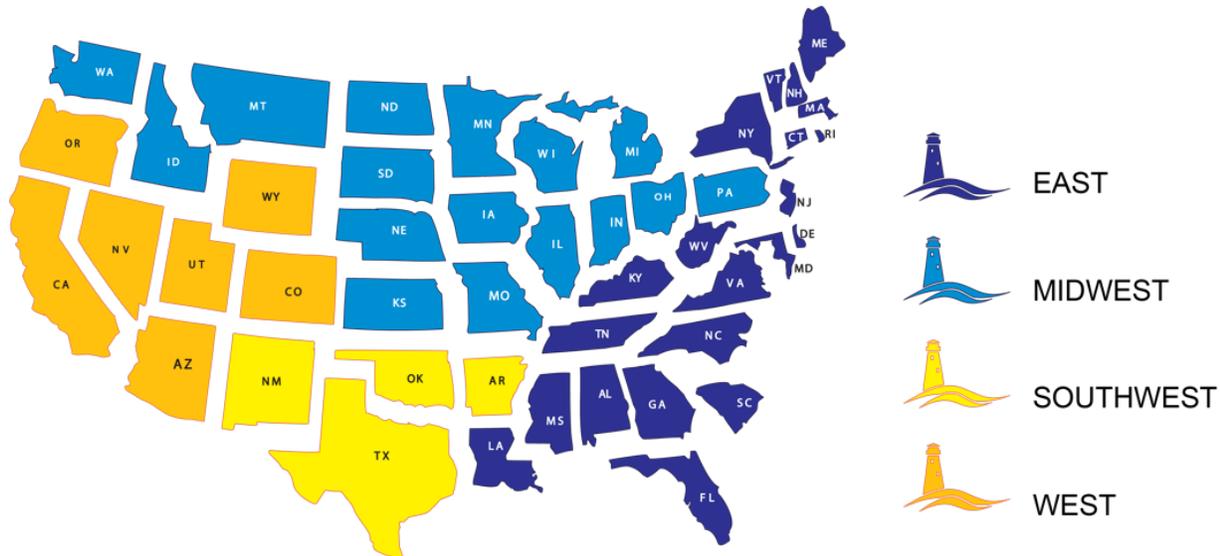
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ABOUT CSG

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Churchill Stateside Group (CSG) and its wholly owned affiliates serve the multifamily and affordable housing, senior housing and healthcare, and renewable energy industries. CSG sponsors tax credit equity investment funds for institutional investors and provides a variety of construction and permanent financing solutions to developers.

The company's investor and developer clients benefit from an experienced staff, prominent and proactive senior leadership, and attractive debt and equity platforms. CSG has long-standing and successful investment relationships with numerous corporate investors, pension funds, and insurance companies. The company is an approved USDA Rural Development and HUD MAP and LEAN Lender. CSG pursues high quality lending and investment opportunities across the nation.



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