Healthcare Bridge Loan Program

GREYSTONE

Advantages

- "One-Stop Shop" if you are looking for FHA or Agency permanent debt but need short-term bridge financing
- Fast closing to facilitate purchase or maturing existing debt
- Generally, no exit fee if permanent financing originated via Greystone
- Savings on fees and closing expenses

Loan Purpose

This program is specifically designed for properties that are either stabilized or are in need of minor to moderate renovation or other value-add strategy.

Our bridge loan program can be used to finance stabilized properties while Greystone underwrites the permanent financing or fund moderate rehabilitation or retenanting where the Borrower is required to complete a value-add strategy before securing permanent financing through an FHA, Fannie Mae, and Freddie Mac execution.

Eligible Properties

Independent living, assisted living, memory care and skilled nursing properties

Loan Amount

$5 million to $75 million (larger upon request)

Loan Terms

Generally, loans with terms up to 36 months (including extensions).

Amortization

Interest-only (some amortization may be required after first two years of term).

Interest Rate / Index

Interest generally at a floating rate, specified as a competitive market rate spread over a 1-Month CME Term SOFR.

Interest Rate Management

Borrower shall purchase an interest rate cap for the duration of the full loan term at strike rate to be determined during due diligence. Counterparty must be rated A2/A.

Loan Commitment Fees

1.0%

Application Fees/ Deposits

Per property non-refundable processing fee (fee depends on loan size and complexity) plus per property escrow deposit to cover legal expenses, third party reports, travel, and due diligence required upon executing the term sheet.

Prepayment / Exit Fees

Generally, the loan will be open to prepayment after six months subject to the payment of an exit fee. All or a portion of the exit fee can be waived if Greystone provides permanent financing.

Loan to Cost

Maximum 85% (up to 90% considered on a case by case basis)

Equity Requirements

Greystone typically requires at least 10.0% to 20.0% cash equity in the property.

Debt Coverage Ratio

Where coverage is anticipated to be less than 1.25x at the initial rate, Greystone will establish an interest reserve. During the bridge loan term, a minimum of 1.40x must be achieved. Particular attention will be paid to the anticipated DCR on the take-out loan. In general (and particularly for rehab or repositioning loans), Greystone's underwriting must demonstrate that the loan can be refinanced upon stabilization.

Escrows

Taxes, Insurance and Replacement Reserves

Third Party Reports

Third party reports compliant with the expected take out financing, whether it be HUD or Agency are required. Additional requirements may include a Quality of Earnings and/or a Certified Field Exam.

Recourse

Typically non-recourse with standard carve-outs for environmental, bankruptcy, fraud and misapplication of funds, etc.; Partial recourse and/or operating deficit and completion guaranty may be required for properties undergoing more significant renovation or turnaround.