

Healthy Communities Financing Guidelines

COMMUNITY HEALTH CENTER LOCATION: Nationwide; site serving a low-income community

ELIGIBILITY: FQHCs and FQHC Look-Alikes, and other health center programs on a case-by-case basis

Use	Acquisition	Construction/ Renovation	Leasehold Improvements	Fundraising Bridge	Permanent
Amount (Up to)	\$2,000,000	\$3,000,000 or more	\$3,000,000 or more	\$3,000,000 or more	\$3,000,000 or more
Rate	Call to discuss rates	Call to discuss rates	Call to discuss rates	Call to discuss rates	Call to discuss rates
Term	Up to 18 months	Up to 24 months	5 to 7 years, but not longer than term of lease	Up to 36 months	5 to 7 years
Repayment	Interest only during term; principal due at maturity or with construction loan take-out	Interest only, may be capitalized; principal typically converted to perm loan	P&I on up to 20-year amortization schedule; balloon payment at maturity	Interest only, may be capitalized; repayment due upon receipt of receivables	P&I on up to 20-year amortization schedule; balloon payment at maturity
Guarantees	Loans are fully recourse to health centers.	Loans are fully recourse to health centers.	Loans are fully recourse to health centers.	Loans are fully recourse to health centers.	Loans are fully recourse to health centers.
Minimum Borrower Equity	To be determined	To be determined	To be determined	To be determined	To be determined
Advances	Up to 100% of loan at closing	For work-in-place as verified by inspector, subject to 10% retainage	For work-in-place as verified by inspector, subject to 10% retainage	Up to 100% of loan at closing	100% of loan at closing or conversion from construction loan
Collateral	First lien on real estate. Other collateral to be evaluated on a case-by-case basis.	First lien on real estate. Other collateral to be evaluated on a case-by-case basis.	First lien interest in leasehold. Other collateral to be evaluated on a case-by-case basis.	Secured interest in real estate. Other collateral to be evaluated on a case-by-case basis.	First lien on real estate. Other collateral to be evaluated on a case-by-case basis.
Fees	1.0% origination fee. Borrower pays all third party costs in closing the transaction, including, but not limited to, outside legal costs, recording fees, search fees, title insurance, appraisal fees, plan review, inspection costs, environmental assessments and technical assessments of the community health center's service quality.				

Financing is subject to all terms and conditions typically required by the lenders for community facility projects, as well as ones unique to a particular transaction. The terms presented above are typical of the lenders' financing, but may vary according to specific project and borrower circumstances and the availability of the lenders' capital for special lending programs.

LOAN CRITERIA

Reinvestment Fund will underwrite and structure a loan by considering the strength of the community health center and project, as evidenced by the following:

- Strong financial condition of community health center and, if applicable, guarantor
- Good financial systems and reports
- Experience and depth of management
- Favorable analysis of relationship with hospital, insurance company or accountable care organization, if applicable
- Market analysis supporting projected patient demand and payer mix
- Loan to value ratio < 90%, based on satisfactory appraisal
- Subordination of Federal interest in collateral
- Debt service coverage ratio > 1.2x for five-year operating projections
- Evidence of quality health services delivery and positive health outcomes

For more information, contact:

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REINVESTMENT FUND

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REINVESTMENT FUND is a catalyst for change in low-income communities. We integrate data, policy and strategic investments to improve the quality of life in low-income neighborhoods.

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