

OUR PRACTICE

HUD-Insured Financing

Baker Donelson is one of the few law firms in the nation with a niche national practice dedicated to representing lenders and borrowers in HUD-insured loans for commercial, multifamily and senior housing projects. Baker Donelson attorneys have been counsel in hundreds of such HUD-insured loans for lenders and borrowers, which together total well over \$3 billion.

Baker Donelson has the experience that borrowers and HUD-approved lenders require to navigate around the pitfalls and opportunities involved in commercial HUD transactions, including refinancing, acquisition, substantial rehabilitation and new construction of apartments, senior housing and long term care facilities, transfers of physical assets of facilities with existing HUD financing, and acquisitions of HUD-foreclosed properties.

Our attorneys have developed relationships with HUD attorneys and staff in almost every HUD field office throughout the nation, and have closed HUD loans on site in Los Angeles, Baltimore and many HUD offices in between. We also have developed a network of experienced local counsel throughout the country to provide assistance in delivering opinions and counseling on issues relating to the laws of the jurisdiction in which the facility is located.

While our scope of work varies with each transaction, our work often includes the following:

- Negotiating and structuring the transactions
- Preparing the closing documentation
- Due diligence (including health care matters, environmental site assessment, property condition report, title insurance, land surveys, corporate and lien searches)
- Title and survey review
- Closing coordination
- Opinion delivery
- Post-closing follow-through



Representative Matters

- Lender's counsel in the first HUD 223(f) refinancing transactions of Section 202 loans to occur in Virginia and Georgia, and in the first HUD Section 232 LEAN transactions to occur in North Carolina and in the Kansas City HUD Hub office.
- Lender's counsel in hundreds of HUD loan transactions throughout the nation, including loans for market rate apartments, nursing homes, assisted living facilities, subsidized senior housing apartments and long term care facilities, and also including several portfolio transactions of various sizes under HUD's LEAN program.
- Borrower's counsel in portfolio of approximately 75 Section 232/223(f) HUD loans to various nursing home and assisted living operators in 24 states and in numerous other HUD portfolio transactions of various sizes.
- Borrower's counsel in a portfolio of 55 223(f) refinancing transactions of Section 202 loans located in 14 states.
- Borrower's counsel in numerous bridge-to-HUD loans involving HUD takeout loan structure, including a portfolio involving 17 health care facilities in eight states.

- Successfully closed HUD loan project changes of ownership for two large multifamily apartment communities on behalf of a major commercial real estate finance company. The properties were purchased for \$129 million.
- Served as lender's counsel in a transaction to reduce the interest rate on a \$129.9 million HUD Section 242 loan which financed a hospital in Puerto Rico.
- Represented a health care financing firm in a 10-site, \$82 million skilled nursing facility portfolio of HUD Section 232/223(f) mortgage loans in Texas. This complex deal involved a number of challenges because the facilities were all leased under a master lease to a third-party operator and were subject to accounts receivable financing in addition to the HUD mortgage loans.
- Served as lender's counsel in connection with HUD loan assumptions for a portfolio of three health care facilities in Missouri.
- Served as lender's counsel in the closing of a change of operator transaction for a Maryland nursing home subject to a \$14.7 million HUD-insured loan.
- Represented a specialty lender as lender's counsel in the closing of a \$10.9 million HUD-insured refinancing loan for a 135-bed skilled nursing facility located in Massachusetts.
- Represented a specialty lender as lender's counsel in the closing of a \$17.7 million HUD-insured refinancing loan for a 72-bed comprehensive care facility located in Indiana.