



HEALTHCARE MORTGAGEE ADVISORY COUNCIL

Financing Seniors Housing for America

700 Washington St., Suite 501

Vancouver, WA 98660

ORCF and HMAC

Monthly Call Agenda

1:00 pm PDT/4:00 pm EDT

September 17, 2018

ORCF Attendees: Jennifer Buhlman, Tim Gruenes, Patrick Berry (Roger Lewis on vacation and Wayne Harris did not attend)

HMAC Attendees: Peter Edeburn, Tina Laurie and Jenifer Williams

I. Follow-up items from August 20, 2018 call

- a. What is the status of contract underwriting funds through the end of the fiscal year and next?
Notes from call: ORCF is exercising their "final option" on the underwriter contract which will take them through March 2019. At that point, HUD will need to renegotiate the contract.
- b. Any update on the potential Kaizen to discuss 100% take-out of recent purchase debt?
Notes from call: ORCF hasn't planned a Kaizen on this topic, but it is still high on their priority list. ORCF indicates this concern comes from recent claims activity that they have seen in which the options for remedying the loan were limited because the borrower did not have cash equity in the property. They are still in the process of discussing internally what the options are, but leading the list currently is requiring a debt service escrow.
- c. Asset management's review of previously insured mortgage. Specific case.
Notes from call: ORCF indicated this was a specific case and no further discussion was warranted.

II. ORCF Topics

- a. Portal training

Notes from call: HMAC inquired about the anticipated 3 hour length of the call and whether that was going to be necessary. ORCF indicated they are planning on covering FHA# requests, uploading FIRM submissions, uploading legal docs, and using the site post-submission for all closing/legal items. ORCF is not certain if they will need the full 3 hour timeslots, but wanted to allow for plenty of time for any questions.

HMAC inquired if Internet Explorer will be compatible since Google Chrome is not. ORCF responded that Internet Explorer is supported by the Portal.

HMAC noted that a 3 hour time block will be extremely difficult for Lender Counsel representatives to be able to manage. ORCF agreed and Susan Gosselin is going to check on setting up a counsel-specific training that will only cover the parts of the site applying to them.

HMAC inquired about whether it is anticipated that there will be limits in the system for how many people per company can be registered. ORCF indicated they do not believe so, but will follow up with a definitive answer.

III. HMAC Topics

- a. Conference update and preliminary conference agenda.

Notes from call: ORCF confirmed receipt of the preliminary conference agenda and HMAC informed ORCF of the incredible response we have received from the industry wanting to attend the conference and that we had to limit the number of attendees per company in order to try to have representation from as many companies as possible.

- b. HUD participation in the conference.

Notes from call: HMAC has requested that the following ORCF representatives attend the conference: Roger Lukoff, Roger Lewis, Patrick Berry, Tim Gruenes, John Hartung, Eduardo Mattei, Brenda Joseph-Chambers, Jennifer Buhlman, Wayne Harris, Kim Brown, Terry Bessette, Angela Collier

ORCF has indicated that Angela Collier will not be able to attend due to previous commitments and they requested that Susan Gosselin and Rachel Coleman be added to the attendee list.

ORCF indicated that travel funds have not yet been approved for these personnel to attend, but that they will keep HMAC apprised of the progress towards approval (which could be dependent on the upcoming budget process).

- c. The Lean Handbook states workers' compensation applies "where employees of the Borrower, Management Agent, where applicable and Operator, where applicable are required to be covered by workers' compensation laws of the state where the Property is located." What if it is not required by the state? Will HUD require insurance, grant a waiver, other?

Notes from call: ORCF indicated they have not, to their knowledge, granted waivers on the worker's comp requirements in states that do not require worker's comp coverage. This discussion was tabled so that HMAC can gather additional information from the industry on this topic and then come back to ORCF for further discussion.

- d. Contract underwriting has stated that the lender needs to ask borrower and management agent principals to confirm whether there has been any material adverse change/event. The language is open and vague, especially the terms material and affiliated.

Notes from call: Some of the ORCF staff have seen this request come from contract underwriters, but some ORCF had not seen such language. HMAC indicated they will forward the full language to the call attendees and has requested that ORCF consider limiting the language in the request so that it isn't so open and vague.

IV. Next Call

1:00 pm PDT/4:00 pm EDT

October 15, 2018