

# Accounts Receivable Financing

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HUD/OGC: Brenda Joseph-Chambers, Senior Attorney Advisor

# CHEVY CHASE

When there's  
more trouble than one  
man can handle...  
there's more than one  
man for the job.



## Fletch Lives



Elmer Fudd Gantry



Billy Gene King



Claude Henry Smoot



Bobby Lee Swartz



Ed Harley

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DOUGLAS/GREISMAN PRODUCTION "FLETCH LIVES" HAL HOLBROOK JULIANNE PHILLIPS R. LEE ERLEY RICHARD LIBERTINI AND CLEAVON LITTLE WRITTEN BY LEON CAPETANOS  
BASED ON CHARACTERS BY GREGORY McDONALD MUSIC BY HAROLD FALTERMEYER PRODUCTION DESIGNER STEPHEN HENDRICKSON DIRECTOR OF PHOTOGRAPHY JOHN MCPHERSON EXECUTIVE PRODUCER BRUCE BOONER  
PRODUCED BY ALAN GREISMAN AND PETER DOUGLAS DIRECTED BY MICHAEL RITCHEE A UNIVERSAL PICTURE

# AR Financing-Fletch Lives

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## Introduction

- Why need account receivable financing
- Typical account receivable structures
- Background and overview with HUD

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## Intercreditor Agreement (ICA)

- Paragraph 3.6 cross-defaults and HUD's Operator Regulatory Agreement
- Paragraph 2.7(h)(i),(k) cross-collateralization issues

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## Upper Payment Limit (UPL) transactions and AR financing

- Project eligibility for HUD AR line with a hospital as a licensed operator (HUD underwriting policy and regulation 24CFR 232.1005)
- Reviewing cash flow chart

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## AR lender proposing non-standard terms

- Aging
- Advance rates
- Term loans
- Other

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## What happens when things go wrong?

- Operator bankruptcy
- Communication between HUD, AR lender and FHA lender
- Lien flip
- Other

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Questions?