



HEALTHCARE MORTGAGEE ADVISORY COUNCIL

Financing Seniors Housing for America

700 Washington St., Suite 501

Vancouver, WA 98660

ORCF and HMAC

Monthly Call Notes

12:00 pm PDT/3:00 pm EDT

November 21, 2019

Invited ORCF Attendees: Rachel Coleman, Susan Gosselin, Tim Gruenes, Wayne Harris, John Hartung, Jason Roth
(could be a couple more people who didn't identify themselves)

Invited HMAC Attendees: Peter Edeburn, Scott Thurman and Jenifer Williams

I. Follow-up items from October 16th call

a. Special Focus List and Special Focus Candidate List

- i. At MBA roundtable there was some discussion about the candidate list (related to sending a7s on the candidate list to Lean Thinking for pre-approval). ORCF had internal discussion after the MBA about 232/223(f) transactions, but have not codified a policy as of yet. More to come.

b. Informal policies that result from Loan Committee conditions

- i. HMAC expressed concern that underwriters seem to take deal-specific comments made at loan committee and convert those to "new policy" on all future deals regardless of whether it makes sense to do this. This often has the result of forcing deals to issue resolution without cause.
- ii. Tim Gruenes indicated that they have been following up with underwriters on this and are in the process of making revisions to the underwriter punchlist to better clarify when the UW's need to go back to lenders with additional risk mitigant requests.

c. Kaizen in conjunction with Spring MBA Roundtable

- i. ORCF is working on shoring up travel costs for next year and planning an asset management meeting for next year

d. PDPM Training

- i. Training scheduled for Thurs. Dec. 12 at 11AM Eastern. The training will include 3 consultants- 1 focused on operations, 1 focused on investment standpoint of PDPM and acquisition modeling, and 1 focused on appraisal. Additionally, one of the consultants listened in on some of the latest quarterly calls from some of the larger nursing home owners and will speak to what they are experiencing in their Q1 of PDPM.

II. ORCF Topics

- a. Susan Gosselin has been promoted to Deputy Director of Production. ORCF will be backfilling her work load manager role
- b. Rita Dockery has been promoted to Deputy Director of Asset Management

III. HMAC Topics

a. Continuing Resolution: contingency-

- i. ORCF indicates closings will happen, contractors still work, but FHA numbers do not get issued

- b. ORCF Guidance on Temporary Underwriting holds: Should lenders only get 90 days of temporary hold (and not the initial 60-day response period) if lenders self-identify loans are not ready for HUD review when existing the queue



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- i. ORCF indicates the 60 day limit mentioned is a maximum (for rare deals) and not representative of the majority of loans. They will continue to quickly try to identify loans that are “not ready” and move those into temporary hold status in an attempt to move the underwriting queue in a reasonable time. ORCF appreciates Lender’s continued courtesy of notifying them at the time deals come out of the queue that they need to be placed on temporary hold. This is a welcome way to free-up underwriter resources.
 - c. Underwriting/Closing Contracting through December:
 - i. ORCF indicates there are less than 100 loans part of the bridge contract. Under that contract, work will continue to get those loans to FIRM until the end of December. New contract should be executed in the first week of December. In the meantime, new deals are only being assigned to HUD employees as workloads permit. No deals are being assigned to contract underwriters.
 - d. Update to review times:
 - i. Caught up on appraisal and environmental reviews. There is a queue for title and survey reviews and often they are only able to start on them post FIRM. Closing has pulled in 3 people from asset mgmt. to help and try to tackle that queue. ORCF followed up with staff on communication after deals are assigned. ORCF is currently prioritizing a7s and deals in opportunity zones in assignments.

IV. Next Call

1:00 pm PDT/4:00 pm EDT

December 16, 2019