

Bedford Lending LEAN 232 New Construction Two Phase Time Line

Participants:  
 BLC = Bedford Lending Corp.  
 CLT= Client  
 HUD = HUD

Steps	Resp	Days	Cumulative	Fees Due - They are all Mortgageable	Comments/Critical Requirements
<p><b>Pre-Qualification</b> - BLC to prequalify the project. At a minimum need:</p> <ul style="list-style-type: none"> <li>- projections</li> <li>- breakdown of beds</li> <li>- description of the development</li> <li>- copy of CON (If Applicable)</li> <li>- preliminary construction costs, offsite costs and qualification of contractor.</li> <li>- experience of all borrowers and operator, including previous projects and resumes (if available)</li> </ul> <p>Once received, BLC will prepare a preliminary financial analysis and outline the key assumptions and estimated equity needed for the project then present the deal to HUD. If client has the requisite equity and HUD review is favorable, BLC will engage client and proceed to LEAN pre-application stage.</p>	BLC		7		
<p><b>Engagement</b> - Client to formalize HUD and Consultant agreements.</p>	CLT/BLC	3	10	\$5,000 Retainer	Retainer amount is credited towards lender's finance fee at closing.
<p><b>Pre-Application Process</b> - BLC to assemble Third-Party Team and need:</p> <ul style="list-style-type: none"> <li>- limited appraisal</li> <li>- full market study</li> <li>- phase 1 environmental</li> <li>- preliminary site plan, elevations and floor plans from architect</li> <li>- ALTA Survey required</li> <li>- Need to update title and provide pro forma title insurance policy</li> <li>- Historical review of site</li> <li>- Need a determination if the property is in a flood plain.</li> </ul> <p>It generally takes 45-60 days for the third-party reports. During this period, BLC underwriter to gather required information from borrower and complete preliminary application.</p>	BLC	45	55	<p>\$20,000 - \$40,000 for third-party reports. Dependent on market costs associated with third-party reports.</p> <p>0.30% of proposed loan amount due to HUD for a formal application fee.</p>	Architectural fees are responsibility of borrower and are mortgageable at closing.
<p><b>BLC Review</b> - Once third-party reports are secured, BLC will analyze the reports, submit a write-up with accompanying exhibits and reports to HUD for preliminary approval.</p>	BLC	5	60		Preparation of Preliminary Application will occur at same time 3rd party reports being completed. Timely submission of exhibits from client will be critical to remaining on schedule.
<p><b>HUD'S Screening of the Pre-application</b> - HUD will issue approval, denial or approval with conditions. If approved, Firm Application process begins.</p>	HUD	30	90		Subject to HUD workload. HUD has 45 business days to act on application but generally processes faster.
<p><b>Firm Application Process</b> - Client needs:</p> <ul style="list-style-type: none"> <li>- full appraisal</li> <li>- full plans and specs</li> <li>- awarding of the construction contract</li> <li>- contractor due diligence-contractor to provide full financials on company</li> <li>- contractor construction breakdown</li> </ul> <p>Once full plans and specs and cost breakdown are submitted, a third-party architectural and engineering company will review the survey, soil analysis, all construction costs, and architectural plans to ensure the costs are justified and that the plans meet HUD requirements. BLC to complete remaining exhibits and reports and submit all the information to HUD.</p>	BLC	45	135	<p>\$20,000 - \$30,000 for third-party reports. Dependent on market costs associated with third-party reports.</p>	Architectural fees are responsibility of client and are mortgageable at closing. Require full plans and specs for firm application. Client responsible for fee and the amount is a mortgageable expense.
<p><b>Firm Submission and Screening of Firm Application</b> - HUD will either issue a firm commitment or denial.</p>	BLC/HUD	30	165		HUD has 45 business days to act on application but generally can process faster.
<p><b>Coordinate Closing</b></p>	BLC/HUD/CLT	20	185		

\* The information contained herein is prepared for general guidance on matters of processing timelines and responsibilities of the parties. The application and impact of the timeframes can vary based on the specific facts involved of each submission. The information provided is of a general nature and is not intended to address the circumstances of any particular submission. Although we endeavor to provide accurate timeframes, there can be no guarantee that such timeframes will be completely accurate for any particular submission. Bedford Lending Corp. is not responsible for any errors or omissions, or for the results obtained from the use of this information.