

CASE STUDY

ISLAND NURSING AND REHAB CENTER

\$13,656,333 | October 2015 | Holtsville, NY



SMF Uses Lean Note Modification to Refinance New York Nursing Facility



"I have worked with Anthony Luzzi and Kerrie Tomasiewicz for many years and they have always represented the facility's interest and did an excellent job in obtaining the original HUD Mortgage and Modification of the existing Mortgage. Island Nursing and Rehab Center has had a longstanding relationship with Sims Mortgage Funding and they have represented Island's interests with integrity and professionalism. Sims was creative with HUD when we financed the facility's real estate. I could always call them to answer a question and resolve any issues which would arise. I would highly recommend Sims Mortgage Funding to represent your organization."

- David Fridkin, F.A.C.H.E. Administrator/CEO, Island Nursing and Rehab Center

PARTNERED RIGHT

Sims Mortgage Funding (SMF) recently served as Financial Advisor in connection with a \$13,656,333 FHA-insured loan for the **Island Nursing and Rehabilitation Center**, a 120-bed facility located in Holtsville, NY.

Island has been a client of SMF for over 10 years. In 2007 we originated a \$17,158,100 FHA-insured Section 232/223(f) taxable loan funded with GNMA securities that financed Island's acquisition of the facility. Island wanted to take advantage of current low interest rates by refinancing as quickly as possible; moreover, the project needed some additional funds for capital expenditures.

STRUCTURED RIGHT

SMF structured the refinancing as a Note Modification under the Lean protocol established by the Office of Residential Care Facilities (ORCF). SMF developed the formal Note Modification analysis and narrative proposal that was filed with ORCF by the existing loan servicer.

The proposal was approved by ORCF in 10 days, with closing on the loan occurring 35 days later.

In addition, the Note Modification generated approximately \$100,000 in proceeds to be deposited into the Reserve Fund for Replacements to be used for repairs.

EXECUTED RIGHT

Because Island was able to access the market quickly and under favorable conditions, their interest rate was reduced by 24%, resulting in interest savings of approximately \$1.9 million through the June 2032 maturity date, and exceeding transaction and closing

costs by 5.5 times. Moreover, under recently-changed New York Department of Health guidelines, Island is eligible to keep 50% of the savings attributable to Medicaid residents instead of remitting all of it to the State.

FINANCED RIGHT[®]

This was the second successful transaction we have closed for Island, which is an affiliate of John T. Mather Memorial Hospital, a 248-bed general medical and surgical facility in Port Jefferson, NY.

For more detailed information on how **Island Nursing and Rehab Center** was Financed Right[®] by HJ Sims and Sims Mortgage Funding, please contact:

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