

## CASE STUDY

AHMC PARKVIEW COMMUNITY HOSPITAL MEDICAL CENTER  
\$17,720,900 | JULY 2021 | Riverside, CA



Sims Mortgage Funding, Inc. and its President, Anthony Luzzi, provided AHMC Parkview Community Hospital Medical Center invaluable service in helping us navigate the ins and outs of both our assumption of HUD-insured hospital financing in connection with our hospital acquisition and later with our refinancing. Sims identified the opportunity for our mortgage note modification and did an excellent job facilitating the process with our current mortgage servicer. Always with our best interests in mind, we were guided through the HUD processes by Sims with steady hands that led us to successful conclusions and a great rate reduction. We are truly thankful for Sims's assistance in providing its value-added services.

Maan-Huei Hung, General Counsel  
AHMC Healthcare Inc,

### **SIMS MORTGAGE FUNDING USES NOTE MODIFICATION TO REDUCE HOSPITAL'S INTEREST RATE BY 60%**

#### **PARTNERED RIGHT**

Sims Mortgage Funding (SMF) and Parkview Community Hospital made history in 2011 when we closed the first-ever HUD-insured hospital refinancing loan under the Section 242/223(f) program. That loan refinanced Parkview's high-interest rate and very short-term bridge debt, providing the hospital with a stable capital platform for the future.

In 2017 we closed a supplemental HUD-insured loan for Parkview that financed construction of a new, and much-needed emergency department. Two years ago, Parkview was sold to AHMC Healthcare, an organization that specializes in operating community-based hospitals in southern California. We served as consultant to AHMC in connection with their assumption of the two HUD-insured loans

Interest rates had declined since the original refinancing, providing AHMC with the opportunity to generate additional debt service savings. We advised them of this positive development in the market and recommended a refinancing structured under HUD's Mortgage Note Modification/Interest Rate Reduction (IRR) protocol.

#### **STRUCTURED RIGHT**

Acting as Financial Advisor, we developed the initial financial modeling of the transaction and coordinated the development of the formal IRR proposal with the loan servicer. HUD approved the IRR proposal in 10 days and the loan closed 63 days later.

#### **EXECUTED RIGHT**

The IRR reduced the interest rate by 60% and will generate total debt service savings of \$2.6 million through the remaining

term of the loan. The net present value of debt service savings was 13% of the unpaid principal balance of the existing loan.

#### **FINANCED RIGHT®**

The IRR, completed 10 years after our initial refinancing, is another example of SMF maintaining long-term relationships with our clients and delivering to them ongoing value.

For more detailed information on how **AHMC Parkview** was Financed Right® by HJ Sims and Sims Mortgage Funding, please contact:

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*HJ Sims is a member of FINRA/SIPC and is not affiliated with AHMC Parkview.*

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