***Please save the form as a new Word document before filling out. Attach the final version to the Firm Commitment. Please avoid cutting and pasting directly from AR Loan Documents. (Delete red guidance for final version.)***

**Date of Review**

SUBJECT:A/R Terms Review –***Project Name(s)******FHA #(s)***

The terms of the subject A/R financing noted in this memo have been reviewed and accepted by ORCF, subject to any Special Conditions.

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| **Transaction Specifics** | | | | | | |
| ***Transaction type:*** | 223(a)(7) | 223(f) | 232 NC/SR | | 241(a) | |
| Change of Participant (CHOP)  Change of Ownership  Change of Operator  Change of Management Agent | | |  | | |
| Stand-alone review (i.e., not congruent with loan transaction or CHOP) | | | | | |
| ***Accounts receivable (AR) financing:*** | New AR financing (AR line was not previously approved by HUD)  AR financing Amendment (Revising and/or adding project(s) to a previously approved AR line)  *Please answer the following to the best of your ability:*   * Date of original A/R line: Date or NK if not known * HUD A/R line approval date: Date or NK if not known * Purpose of the amendment: Extension, new guarantor, remove project, etc.   Comments: [Insert any comments or context regarding previous approvals or the AR line that will be helpful for this review] | | | | | |
| **A/R Loan \*Specifics**  ***\*For AR Amendments, only fill in the terms that are changing*** | | | | | | |
| ***Loan Terms:*** | **AR Lender:** Insert from Lender Narrative  **Maximum commitment amount:** Insert from Lender Narrative  **Interest Rate(s):** Insert from Lender Narrative *[e.g., Index: [SOFR] Margin: [3%] Floor: [1%]; Default Rate: [Index + Margin + 5%]]*  **Maturity Date:** Insert from Lender Narrative *[ORCF typically allows AR loans with initial terms up to 3 years.]*  **Fees:** Insert from Lender Narrative *[ORCF does not regulate the fees charged by the AR Lender, but generally expects the fees in total to not exceed 4% (or 400 bps) of the maximum commitment amount]*  **Guarantee(s) (if any):** Insert from Lender Narrative *[Note any guarantees, or enter “none.” The FHA Borrower cannot be a guarantor on the AR loan but guarantees from the parent entity (or Principals) of the FHA Borrower or Operator are acceptable.]*  **Borrowing Base Formula:** Insert from Lender Narrative *[e.g.., Borrowing Base = 85% of Medicare, Medicaid, and other governmental receivables aged up to 120 days. Generally, AR aging should not be over 120 days. See Handbook, Section II, Production, Chapter 15.3]* | | | | | |
| ***Intercreditor Agreement:*** | **Section 1.7, “AR Loan Obligations”:** Copy any specific obligations included in Section 1.7 or "none" *[only include project obligations related to any facility on the AR Line and* ***exclude*** *unrelated obligations (a principal’s’ car loan.]*  **Section 2.7(g) approved language:**   * **Extensions**:Note any extension terms, or N/A *[Generally, committed lines of credit may be extended for a maximum of six (6) years; uncommitted lines of credit may be extended for a maximum of three (3) years.]* * **Interest rate change parameters**:Note any interest rate change parameters, or N/A * **Other:** Note any other changes that will not requilre prior ORCF approval   **Section 2.7 (h)**   * **Cross-Collateralization**: [ **Alternative 1 (yes)**  **Alternative 3 (“none”)** * **Alternative 2 (other)** Insert approved cross-collateralization provisions   **Section 3.4(a):** **Flow of Funds & Cash Flow Chart(s)**   * Insert from Lender Narrative ("mechanisms for Operator receipts") [Describe the flow of funds and describe how deposit accounts are controlled.] * Flow of funds is consistent with Cash Flow chart(s)   (See Section 232 Handbook, Production Section II, Chapter 16, appendices 16.1 – 16.4) (link)  **Schedule 1: AR Loan Documents**   * *List the AR loan documents associated with the AR Line: For example, Note, Agreements, guaranty, subordinations, waivers, control agreements, etc.*   **Schedule 3: List of Other Facilities (other facilities financed by the AR Loan)**   * See list below.   **Exhibit B: List of Approved Cross Defaults**   * Cross-Default:List any Cross-Default provisions, or "none" *[Cross-defaults are limited to one or more specific monetary obligations and should not be overly broad. Do not cut & paste from AR Loan Documents.]* | | | | | |
| ***Special Conditions:*** | Insert any conditions of approval or items that must be revised prior to closing or N/A | | | | | |
| **All Projects on the AR Line** | | | | | |

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| **Project Name** | **FHA Number** | **AR Borrower Name** | **FHA Lender** | **ORCF Account Executive** | **Status of Project**  **Note whether the project is currently on the AR line, is being added to AR line or is being removed from AR line. Include Master Tenant if applicable.** |
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