

CASE STUDY

Skilled Nursing Facility

\$8.6MM Accelerated FHA 232/223(f)
with HUD *Express Lane*



In today's healthcare real estate market, access to stable, long-term capital can determine whether operators can maintain quality care, reinvest in facilities, and keep staff supported – especially amid rate volatility and a still-competitive lending environment. HUD's Section 232/223(f) program has long been a trusted option for skilled nursing and assisted living owners because it offers fixed-rate, non-recourse financing and terms that support long-term stability. Yet the traditional HUD process has often meant lengthy queues, multiple review rounds, and closings that can stretch four to six months or longer – delaying projects and creating uncertainty for owners.

To support efficiency, HUD introduced the *Express Lane* in mid-2025, a new review track that provides priority processing for strong, underwrite-ready healthcare transactions. The program sets clear eligibility criteria – including leverage, DSCR, and operator quality – and rewards borrowers and lenders who can submit fully prepared packages.

This case study shows how X-Caliber partnered with a seasoned skilled nursing operator to leverage the HUD *Express Lane*, compressing the traditional timeline and closing an \$8.6MM refinance in just 71 days. The execution provided certainty of capital, protected against rate movement, and freed the operator to focus on resident care and operational priorities rather than a prolonged financing process.

THE PROPERTY

A skilled nursing and rehabilitation facility located in the Midwest.

- Provides short-term post-acute rehabilitation and long-term care to a mixed patient population.
- Features private and semi-private rooms, dedicated therapy spaces, and on-site clinical support services.
- Operated by a seasoned regional healthcare group with a track record of strong census management and quality-of-care metrics.

THE OPPORTUNITY

The owners were seeking predictable, non-recourse debt to:

- Refinance existing obligations on a maturing note.
- Build and fund replacement reserves to maintain clinical and operational standards.
- Execute targeted property upgrades (patient rooms, therapy areas, and equipment refresh).



HUD EXPRESS LANE

Traditional HUD financing offered competitive long-term rates, but extended queue times (4–6 months) and rate volatility created uncertainty. A prolonged closing could delay needed improvements and expose the borrower to interest-rate risk.

When HUD introduced its *Express Lane* program in mid-June 2025, the borrower and lender saw an opportunity to align the deal with the new priority review pathway and close far faster than standard processing.



THE SOLUTION

X-Caliber's team prepared an underwrite-ready package specifically tailored to *Express Lane* standards:

- **Priority submission:** Met HUD's leverage thresholds, demonstrated strong Debt Service Coverage Ratio (DSCR), and highlighted the operator's clinical quality indicators.
- **Up-front diligence:** Removed unnecessary document loops and addressed HUD's key review points early to avoid rework.
- **Queue acceleration:** HUD advanced the loan from Application Submission to Firm Commitment in 8 days – a process that typically takes 60–120 days.
- **Fast closing:** Achieved application to closing in 71 days instead of the traditional 4–6 months.
- **Financing outcome:** Long-term, fixed-rate, non-recourse structure supporting reserves and planned capital improvements.

This approach provided the borrower certainty of execution while freeing management to stay focused on patient care and staff retention rather than a prolonged financing process.

COMMUNITY IMPACT

- **Timely reinvestment:** Rapid access to capital allowed the facility to move ahead with room updates, equipment upgrades, and staff-focused amenities sooner.
- **Resident well-being:** Stable, predictable financing ensured uninterrupted focus on care quality and staffing levels.
- **Local economic support:** Continued employment for clinical staff and contractors performing upgrades, strengthening the surrounding community.



HUD EXPRESS LANE



KEY ADVANTAGES OF HUD EXPRESS LANE



Time Savings

Priority HUD review and compressed approval timelines.



Clarity Upfront

Defined eligibility guardrails reduce delays and redundant documentation.



Operational fit

Predictable, long-term, non-recourse debt with structured reserves supports cash-flow planning.



Market agility

Ability to lock long-term rates faster in volatile markets.

PROJECT SNAPSHOT

Loan Program	HUD 232/223(f) - Express Lane
Loan Amount	\$8.6MM
Timeline	- 8 days from Application Submission to Firm Commitment (vs. 60-120 days traditionally) - 71 days from Application to Closing (vs. 4-6 months for standard HUD)
Structure	Long-term, fixed-rate, non-recourse
Use of Proceeds	Refinance existing debt, fund reserves, support capital and equipment upgrades

DISCLAIMER

This case study is for informational purposes only and reflects a specific transaction example. Actual results and timelines vary based on borrower qualifications, market conditions, and HUD program requirements.



LENDING AND INVESTING FOR THE GREATER GOOD