

red capital  
group





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The background is a solid red color with two overlapping circles of a darker red shade. One circle is positioned on the left side, and the other is on the right side, with their edges overlapping in the center.

# THE COLOR OF CAPITAL

The image features a solid red background with two overlapping, semi-transparent circles of a darker red shade. The text "THE FACE OF LENDING" is centered in the upper half of the image. "THE FACE" is in white, and "OF LENDING" is in a light gray color.

**THE FACE**  
**OF LENDING**

# THE COLOR OF CAPITAL

# THE FACE OF LENDING

We view our clients as partners, not transactions. We take pride in the way our team conducts business. Through transparency and collaboration, RED Capital Group strives to be the easiest lender to work with at every stage of the financing process. Unlike others, RED Capital Group covers all pieces of your debt, both as a lender and as a broker-dealer through our subsidiary, RED Capital Markets, LLC (MEMBER FINRA/SIPC).

No matter the scale of your property, the team at RED ensures procedural expedience and thoroughly researched creative solutions to your toughest problems. We approach our clients like partners, and work with efficiency and accuracy to tackle your challenges as we would our own. We build strong, lasting client relationships because we believe that RED doesn't succeed until you do.

RED Capital Group is a direct provider of debt and equity capital to a variety of specialized property industries, including:

- Seniors Housing & Health Care
- Multifamily Housing
- Affordable Housing
- Student Housing

For more than two decades, RED has forged lasting relationships with our partners across the country, built on the foundation of a team who works hard for you. RED relies on our team's thorough work and attention to detail. We've earned respect in the lending industry by delivering creative financing solutions with our team's promise of efficiency, simplicity, and professionalism every time.



# PROPERTY SPECIALTIES

RED Capital Group’s team of experts will continue to be the real estate industry’s top source for loan products and servicing, industry information, and related financial services for FHA, Fannie Mae, and balance sheet clients in the markets we serve. As an industry authority on FHA, Fannie Mae, and balance sheet lending, RED Capital Group will help each of our clients close deals with a certainty of execution.

  
**Seniors Housing & Health Care**  
**Multifamily Housing**  
**Affordable Housing**  
**Student Housing**

## SENIORS HOUSING & HEALTH CARE

RED Capital Group’s seniors housing and health care business includes independent living, assisted living, memory care, skilled nursing, and continued care retirement communities (CCRCs). In addition, RED works with Critical Access Hospitals to finance renovations, expansions, and new construction of rural and community hospitals. We are able to remedy many financing situations by utilizing our customized direct bridge loan and mezzanine loan products. RED delivers creative and custom tailored financing solutions through a diverse set of options, and provides the industry:

- Proprietary Bridge Loans
- Construction Financing
- Permanent Agency (Fannie Mae & FHA)
- Debt and Equity Placements
- Financial Advisory Services\*

## MULTIFAMILY HOUSING

RED Capital Group provides sound advice to our multifamily housing clients, and leverages our capital resources to enhance their financial capabilities. Through our complete range of investment banking, mortgage banking, direct lending, and proprietary capital options, RED applies our team’s deep multifamily expertise to provide answers to our clients’ most challenging problems. No matter the scope of your property, RED has the capability to provide innovative financing options that meet your exact needs.

## AFFORDABLE HOUSING

Thanks to our extensive multifamily background, decades of affordable housing experience, and strong partner relationships, we are uniquely positioned to provide comprehensive debt and equity capital for affordable housing properties nationwide. Properties qualifying for affordable housing financing are rent-restricted and subsidized by local, state, and federal government. We work closely with non-profit organizations, public entities, and for-profit sponsors to devise the customized capitalization necessary to meet today’s challenging property needs. RED has worked with borrowers and issuers across the country to develop financial packages in the form of:

- Bond Financing\*
- Construction Financing
- Permanent Financing

## STUDENT HOUSING

RED Capital Group’s mortgage and investment banking subsidiaries, RED Mortgage Capital and RED Capital Markets, LLC, provide debt and equity capital to facilitate student housing properties throughout the country. These programs facilitate multifamily housing communities explicitly dedicated to students in proximity to major universities, and RED’s decades of industry experience ensure the success of these often complicated debt transactions.

“

RED has built our industry leadership from a strong financial foundation. That's how we earned our reputation as the Color of Capital.

”



# FINANCING SOURCES

No matter how large or complex your property, RED Capital Group has the experience and capital necessary to get you the financing sources you require. Thanks to our team's decades of industry experience with every type of capital, RED can offer comprehensive financial solutions based on the strengths of a diverse set of financing sources.

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*

## BALANCE SHEET LENDING

RED Capital Group's corporate parent, ORIX USA, is committed to bringing its \$6 billion balance sheet to bear to meet the needs of our multifamily and senior housing partners to build new, long-lasting client relationships. By virtue of this resource, RED offers portfolio loan products that may be customized to meet clients' specific business objectives, a capability that distinguishes RED from most of its competitors. These loans typically take the form of interim or bridge financing to cover the gap before permanent financing occurs.

## BOND FINANCING\*

**RED has arranged more than \$6.4 billion of tax-exempt financing for multifamily and seniors housing properties since 1990.**

Since its formation in 1990, the Housing Bond Group of RED Capital Markets, LLC has arranged more than \$6.4 billion of tax-exempt financing for multifamily and seniors housing properties. Working with borrowers and issuers nationwide, the group has developed extensive experience with Fannie Mae, FHA/Ginnie Mae, letter of credit, and private surety enhanced bond issues.

## COMMERCIAL MORTGAGE-BACKED SECURITIES (CMBS)

RED Capital Group has years of experience providing our clients with commercial mortgage-backed securities (CMBS) based loans, and is adept at helping you navigate the complex commercial mortgage landscape. No matter your property scale or financing need, RED will work with you to determine the best option to get the job done.

## FANNIE MAE DUS®

RED Capital Group is an approved Fannie Mae Delegated Underwriting and Servicing (DUS®) mortgage lender. We underwrite, fund, and service first and second lien mortgage loans, structure credit facilities, and provide bond credit enhancement for properties and communities nationwide.

## FEDERAL HOUSING ADMINISTRATION (FHA)

**RED financed more than \$2.2 billion in FHA loans in 2013 alone.**

RED Capital Group originates multifamily and health care mortgage loans guaranteed by the Federal Housing Administration (FHA). Since closing its first project loan in 1991, RED Mortgage Capital has consistently been recognized as a top lender for FHA Section 232 Lean loans for health care facilities, and has gained significant experience as a MAP-approved lender with Section 221(d)(4) new construction, having financed more than \$2.2 billion in FHA loans in 2013 alone.

## SALES & TRADING\*

RED's full service Sales & Trading Desk, a registered broker/dealer, sells directly to institutional accounts, thus providing you with the best available price and execution. Our dedicated professionals are involved on a daily basis in the underwriting, distribution, remarketing and trading of both rated and high yield securities.





# FINANCIAL SERVICES

RED Capital Group views our clients as partners, not transactions. That's why we're dedicated to not only providing our clients with the financing they need, but also to service and manage their loan cooperatively over the course of our relationship. In order to ensure our clients can succeed, RED offers these comprehensive financial services.

Loan Servicing  
Asset Management  
Mortgage Banking Services for  
Correspondents & Brokers

## LOAN SERVICING & ASSET MANAGEMENT

**With RED, closing your loan isn't the end of the relationship. It's merely the beginning.**

While our competition doesn't always service the loans they originate, our full loan servicing capabilities ensure a single company contact throughout the lifetime of the loan and build great relationships with our clients. The Loan Servicing Group of RED Mortgage Capital services a portfolio of nearly \$18 billion in total unpaid principal balance. Mortgage loans serviced are for multifamily housing, long-term care, seniors housing, and other income properties.

## MORTGAGE BANKING SERVICES FOR BROKERS

Since 1990, RED has provided over \$52 billion in capital, with over \$25 billion specifically provided to help other lending businesses thrive. Unlike other providers, partnering with the team at RED gives our partners access to a broad range of products and services, allowing you to deliver the best terms and flexibility possible for your clients. RED's mortgage banking solutions and services include:

- FHA Insured Loans
- Fannie Mae Loan Options
- Bridge and Acquisition Loans
- Sales and Trading\*
- Multifamily Market Research

## MORTGAGE BANKING SERVICES FOR CORRESPONDENTS

RED is proud of the relationships we build with our clients and respect the relationships our clients have built with their borrowers. Our dedicated team of bankers will work with you to build a partnership that best fits your needs. Each partnership we build is unique. Our level of involvement and the specific services that we provide can be set up as transparent or client facing as you feel is appropriate. At RED, we don't succeed until you do. RED's mortgage banking solutions and services include:

- FHA Insured Loan Funding and Servicing
- GNMA and Fannie Mae MBS Distribution
- Loan Warehousing for FHA and Fannie Mae Loans
- FHA MAP & Lean Loan Processing and Underwriting Assistance
- Fannie Mae Loan Options
- Bridge and Acquisition Loans
- Multifamily Market Research

“

**You worked hard to build your business and customer relationships. Now is not the time for costly or time consuming mistakes.**

”

# CORPORATE STRUCTURE

RED Capital Group is comprised of three primary entities and operates out of nine uniquely positioned office locations worldwide. Our more than 180 employees provide our clients with decades of expertise in integrated mortgage banking, investment banking, and merchant banking.

RED Capital Group is a subsidiary of ORIX USA, part of publicly-owned Tokyo-based ORIX Corporation. Since 1964, ORIX Corporation has served clients as a diversified corporate lender, finance company, and advisory service provider with more than \$6 billion in assets and an extensive portfolio of credit products and advisory services. Headquartered in Dallas, Texas, ORIX USA's 1,400 employees around the globe add strong financial support for RED Capital Group's lending operations.

## RED MORTGAGE CAPITAL

RED Mortgage Capital is a Fannie Mae DUS® lender for multifamily, seniors, and affordable housing, a FHA MAP and Lean lender, and a Ginnie Mae mortgage-backed security issuer and loan servicer.

## RED CAPITAL MARKETS

RED Capital Markets, LLC (Member FINRA/SIPC) is an active broker, dealer, and underwriter of tax-exempt and taxable housing and health care bonds.

## RED CAPITAL PARTNERS

RED Capital Partners offers fund management, mezzanine, and proprietary capital investment and merchant banking.

## KNOWLEDGEABLE, PROFESSIONAL, AND AT YOUR SERVICE. THE TEAM AT RED WORKS HARD TO MAKE YOUR FINANCING EASIER.

### DEDICATED TO SOLVING PROBLEMS.

In our collective centuries of industry experience, the team at RED Capital Group has solved highly complex problems for thousands of unique clients. Our track record gives us confidence, and that confidence translates into efficient work and innovative thinking to scale your toughest hurdles. Our goal is to provide a seamless loan origination and closing process from initially sizing your loan to working through the underwriting process and ensuring a timely closing. During the whole process, we will proactively identify any obstacles and provide new solutions where necessary.

### YOUR TRUSTED PARTNER FOR COMPLEX PRODUCTS.

We support our clients' interests from start to finish. We recognize that your property's finances are nuanced and complex, so RED is committed to working through all of your options and empower you to make informed decisions. RED Capital Group functions as your advocate and advisor at every step of the way, and always keeps our focus on our clients' concerns. We're not successful unless your property gets the resources and support it needs.

### THE INDUSTRY KNOWLEDGE LEADERS.

Building on our experience financing thousands of highly specialized housing properties, RED Capital Group has earned our reputation as the industry expert in loan products and servicing for the markets we serve. Our focus is using our extensive knowledge to benefit your experience, and to get your property the exact financing solution that's right for your goals. Our team is recognized for their thoroughness and attention to detail, and their partnership enables more efficient, more accurate, and more customized deals for our clients.

### RED Capital Group INTEGRATED CAPITAL SOLUTIONS

Mortgage Banking RED Mortgage Capital	Investment Banking RED Capital Markets, LLC	Merchant Banking RED Capital Partners
Fannie Mae DUS® Loans	Tax-Exempt Underwriting and Distribution	Tax-Exempt Underwriting and Distribution
FHA Insured Mortgage Loans for MAP and Lean	Remarketing of VRDNs	Equity Capital
First Mortgages Funded as Principal	GNMA and Fannie Mae MBS Distribution	High LTV First Mortgages
GNMA Seller/Servicer	Mortgage Banking Services	Second Mortgages
Loan Servicing & Asset Management		Bridge Loans
		Gap Financing
		Non-Mortgage Secured Subordinated Project Capital
		Acquisition & Rehabilitation Loans

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\*Services provided by RED Capital Markets, LLC (MEMBER FINRA/SIPC) and its registered representatives.  
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Rev 040714

# THE FACE OF LENDING



**RED Capital Group has one priority, to get your properties the financing and support they need. Your financing experience shouldn't end after the transaction is complete. At RED, we feel strongly that the long-term servicing and support of your loan is what makes the difference for your property. RED has forged lasting relationships with our partners across the country, built on the foundation of a team who works hard for you. RED relies on each member of our team's thorough work and attention to detail.**

We've earned respect in the lending industry by delivering on our promise of efficiency, simplicity, and professionalism every time. Through the accurate and efficient work of our originators, underwriters, production, and loan servicing teams, RED strives to be the easiest lender to work with at every stage of the financing process. No matter the scale of your property, the team at RED ensures procedural expedience and thoroughly researched solutions to your toughest problems. We approach our clients like partners, and work with efficiency and accuracy to tackle your challenges as we would our own. We don't succeed until we provide the smartest financial solution for your unique property.

“

Your financing experience shouldn't end after the transaction is complete. At RED, we feel strongly that the long-term servicing and support of your loan is what makes the difference for your property.

”



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group



# THE COLOR OF CAPITAL

Bond Financing\*  
Construction Financing  
Permanent Financing

\*Services provided by RED Capital Markets, LLC (MEMBER FINRA/SIPC)  
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# THE FACE OF LENDING

## AFFORDABLE HOUSING



Industry Leaders with Strong Backing to Move You Forward



RED Capital Group's loan servicing and asset management team, located in Dallas, Texas, collaborates with your borrower to structure the ideal loan package that best suits your client's individual circumstances while helping you, the lender, accomplish your loan goals.

Our Fannie Mae-approved Asset Managers proactively and continually evaluate the loan to ensure viability throughout the life of the solution. RED analyzes and manages behind the scenes on your behalf freeing you up to focus on the rest of your business. That's how we've earned our reputation as

# THE FACE OF LENDING

**THE COLOR  
OF CAPITAL**



**THE FACE  
OF LENDING**



redcapitalgroup.com • +1.800.837.5100



# THE COLOR OF CAPITAL



## THE FACE OF LENDING

### MULTIFAMILY HOUSING

No matter the scale of your property, and no matter the size of your financial need, RED Capital Group is equipped to finance and support your largest endeavors.



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Two Miranova Place • Columbus, OH 43215

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**FINANCING SOURCES**

- Balance Sheet Lending
- Bond Financing\*
- Commercial Mortgage-Backed Securities (CMBS)
- Fannie Mae DUS®
- Federal Housing Administration (FHA)
- Sales & Trading\*

redcapitalgroup.com  
+1.800.837.5100







By delivering on our promise to be a resource not just for **capital** but also for **service** and **support**, we've earned our reputation as

# THE FACE OF LENDING

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# THE COLOR CAPITAL<sup>10</sup>

Seniors Housing &  
Health Care

Multifamily Housing

Affordable Housing

Student Housing

Loan Servicing &  
Asset Management





# THE FACE OF LENDING

## LOAN SERVICING & ASSET MANAGEMENT

Balance Sheet Lending

Bond Financing\*

Commercial  
Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing  
Administration (FHA)

Sales & Trading\*



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# THE FACE OF LENDING

## SENIORS HOUSING & HEALTH CARE

Balance Sheet Lending

Bond Financing\*

Commercial  
Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing  
Administration (FHA)

Sales & Trading\*



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# THE COLOR OF CAPITAL

*This announcement appears as a matter of record only.*

**\$000,000,000**

**XYZ Apartments  
North Phase III**

*(Altoona, Pennsylvania)*



*Owned, Managed, Sponsored by*  
**Company Name**

Fannie Mae MBS/DUS  
Mortgage Loan

*Provided by*  
**RED Mortgage Capital**  
Fannie Mae Mortgage Lender

May 2013



## MULTIFAMILY HOUSING



### FINANCING SOURCES

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*

The team at RED Capital Group endeavors to bring accuracy and efficiency to financing relationships with our affordable housing clients. With our access to capital from a wide variety of sources and our ability to seamlessly integrate them into a single financing package, RED can meet the demands of affordable housing properties, no matter the scale or financial need. We bring our decades of experience to tackle challenges for each of our clients, and our constant focus is to find the best custom financing solution for your property.

RED has worked with borrowers and issuers across the country to develop financial packages in the form of:

- Bond Financing\*
- Construction Financing
- Permanent Financing



No matter the scale of your property, and no matter the size of your financial need, RED Capital Group is equipped to finance and support your largest endeavors.



“

With RED, closing your loan is only the beginning of the relationship.

”

Furthermore, at RED, we take the long-term servicing of your loan as seriously as closing it. That’s how we’ve earned our reputation as the Face of Lending. Our dedicated loan servicing and asset management team will work through all the details with you, and will offer their industry knowledge at every step of the process. We provide direct access to our loan servicing specialists, who can answer your most complicated financial questions.

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## MULTIFAMILY HOUSING



### RECENT EXPERIENCE

Date is listed here

**\$6,388,500**

**Northgate Village**

Loan type is listed here  
(Columbus, Georgia)  
151 Multifamily Units

Date is listed here

**\$2,037,000**

**IDA Tower**

Loan type is listed here  
(Altoona, Pennsylvania)  
125 Multifamily Units

Date is listed here

**\$1,623,500**

**Crossroads Court**

Loan type is listed here  
(Dexter, Missouri)  
40 Multifamily Units





Thanks to our unmatched access to capital from a myriad of financing sources, RED Capital Group is uniquely equipped to provide financial backing to borrowers of any scale. Our team has extensive knowledge about each of the financing sources RED offers, and leverages that knowledge to build a customized capital solution that's right for your investment's financing needs.

For more than two decades, RED has connected our clients with financial offerings from the following lending sources:

- Balance Sheet Lending
- Bond Financing\*
- Commercial Mortgage-Backed Securities (CMBS)
- Fannie Mae DUS®
- Federal Housing Administration (FHA)
- Sales & Trading\*

## FINANCIAL SERVICES



### PROPERTY SPECIALTIES

Seniors Housing & Health Care

Multifamily Housing

Affordable Housing

Student Housing



**RED has built our industry leadership from a strong financial foundation. That's how we earned our reputation as the Color of Capital.**





At RED, we take the long-term servicing of your loan as seriously as closing it. That's how we've earned our reputation as the Face of Lending. Our dedicated loan servicing and asset management team will work through all the details with you, and will offer their industry knowledge throughout the life of your loan. We provide direct access to our loan servicing specialists, who can answer your most complicated financial questions.

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FINANCIAL SERVICES



THE FACE OF LENDING



RECENT EXPERIENCE

**\$5,355,000**  
**Clearview Lantern Suites**

Loan type is listed here  
 (Warren, Ohio) 8 Units



**\$26,278,725**  
**CNL – Tega Cay**

Loan type is listed here  
 (Tega Cay, South Carolina)  
 164 Units

**\$4,089,100**  
**The Waterford at College View**

Loan type is listed here  
 (Lincoln, Nebraska) 56 Units



SENIORS HOUSING & HEALTH CARE



**FINANCING SOURCES**

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*

As a leader in the health care finance industry, RED Capital Group assists clients through every stage of the capital project lifecycle, from planning through completion, by implementing the right financing strategy to meet your property's specific needs. RED works with Critical Access Hospitals to provide financing for the renovation, expansion, and new construction of rural and community hospital properties.

RED builds customized financing solutions through a diverse range of sources, including:

- **FHA Insured Mortgage Loans**
  - Section 232/223(f)
  - Section 241
  - Section 242
  - Section 242/223(a)(7)
- **Financial Advisory Services\***
  - Capital Project Planning
  - Facility Replacement
  - Debt Capacity Analysis



RED is proud to have been consistently recognized as a top FHA Lean lender and among the top 5 Fannie Mae DUS® lenders for health care property financing.



“

RED understands the critical role operators play within the health care industry.

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- **USDA Rural Development Community Facilities Program**  
Direct Loan Financing  
Guaranteed Loan Financing
- **Bond Financing\***  
Competitive Private Placement Transactions  
Underwriting Services  
Public Offering

At RED, we take the long-term servicing of your loan as seriously as closing it. That's how we've earned our reputation as the Face of Lending. Our dedicated loan servicing and asset management team will work through all the details with you, and will offer their industry knowledge at every step of the process. We provide direct access to our loan servicing specialists, who can answer your most complicated financial questions.

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## SENIORS HOUSING & HEALTH CARE



### RECENT EXPERIENCE

Date is listed here  
**\$25,000,000**  
**North Caddo Medical Center**  
Loan type is listed here  
(Vivian, Louisiana)

Date is listed here  
**\$13,259,300**  
**Melissa Memorial Hospital**  
Loan type is listed here  
(Holyoke, Colorado)

Date is listed here  
**\$13,010,000**  
**Wills Memorial Hospital**  
Loan type is listed here  
(Washington, Georgia)



## FINANCIAL SERVICES



### FINANCING SOURCES

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*

RED Capital Group treats our clients like partners, not transactions. That's why we take servicing your loan as seriously as closing it. Loan closing is not the end of RED's relationship with our clients, it is merely the beginning. We dedicate ourselves to providing the industry's best loan service and support at every stage throughout the life of the loan. Our experienced loan servicing group is responsible for servicing a portfolio totaling nearly \$18 billion in total unpaid principal balance, including mortgage loans for multifamily, seniors housing, health care, and other income properties.

Combined with our unparalleled access to lending capital from a wide variety of financial sources, RED relies on our loan servicing group to ensure our clients' success by offering creative solutions to issues arising after loan closing. We strive to give you answers to your most difficult financing questions, and are dedicated to serving as a resource for complicated lending and servicing matters. By delivering on that promise and servicing thousands of clients over two decades, RED Capital Group has earned our reputation as the Face of Lending.

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By delivering on our promise to be a resource not just for capital but also for service and support, we've earned our reputation as the Face of Lending.



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## FINANCIAL SERVICES



### FINANCING SOURCES

Balance Sheet Lending

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Since 1990, RED has provided over \$52 billion in capital, with over \$25 billion specifically provided to help other lending businesses thrive. Unlike other providers, partnering with the team at RED gives brokers access to a broad range of products and services, allowing you to deliver the best terms and flexibility possible for your clients.

RED is proud of the relationships we build with our clients and respect the relationships our clients have built with their borrowers. Our dedicated team of bankers will work with you to build a partnership that best fits your needs. Each partnership we build is unique. Our level of involvement and the specific services that we provide can be set up as transparent or client facing as you feel is appropriate. At RED, we don't succeed until you do. RED's mortgage banking solutions and services include:

- FHA Insured Loans
- Fannie Mae Loan Options
- Bridge and Acquisition Loans
- Sales and Trading\*
- Multifamily Market Research



**You worked hard to build  
your business and customer  
relationships. Now is not the  
time for costly or time  
consuming mistakes.**





FINANCIAL SERVICES

THE FACE OF LENDING

In our decades of industry experience, RED has earned our reputation as the Color of Capital thanks to our access to financing sources and our unmatched ability to create customized lending solutions for our clients. Among other things, the team at RED has been recognized as:

- A HUD-approved MAP/Lean lender and GNMA approved issuer.
- The nation's top FHA MAP/Lean producer by loans closed in HUD FY 2012.
- A leading Fannie Mae DUS® lender, among the largest Fannie Mae lenders in the country for multifamily and seniors housing.
- Servicing over \$16 billion of Agency and FHA loans, of which over \$5 billion are FHA insured construction and permanent mortgage loans.
- A top 10 underwriter nationwide of developer-driven multifamily housing bonds consistently since 2003.
- Remarketing more than \$1.3 billion in tax-exempt and taxable VRDNs.

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RECENT EXPERIENCE

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## FINANCIAL SERVICES



### FINANCING SOURCES

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Bond Financing\*

Commercial Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*

Since 1990, RED has provided over \$52 billion in capital, with over \$25 billion specifically provided to help other lending businesses thrive. Unlike other providers, partnering with the team at RED gives correspondent bankers access to a broad range of products and services, allowing you to deliver the best terms and flexibility possible for your clients.

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- Loan Warehousing for FHA and Fannie Mae Loans
- FHA MAP & Lean Loan Processing and Underwriting Assistance
- Fannie Mae Loan Options



**RED's integrated mortgage and investment banking platform helps our partners obtain the very best execution, every time. Our goal is to help you serve your clients even better.**





“

RED has provided \$25 billion to help other lending businesses thrive.

”

- Bridge and Acquisition Loans
- Multifamily Market Research

In our decades of industry experience, RED has earned our reputation as the Color of Capital thanks to our access to financing sources and our unmatched ability to create customized lending solutions for our clients. Among other things, the team at RED has been recognized as:

- A HUD-approved MAP/Lean lender and GNMA approved issuer.
- The nation's top FHA MAP/Lean producer by loans closed in HUD FY 2012.
- A leading Fannie Mae DUS® lender, among the largest Fannie Mae lenders in the country for multifamily and seniors housing.
- Servicing over \$16 billion of Agency and FHA loans, of which over \$5 billion are FHA insured construction and permanent mortgage loans.
- A top 10 underwriter nationwide of developer-driven multifamily housing bonds consistently since 2003.
- Remarketing more than \$1.3 billion in tax-exempt and taxable VRDNs.

\*Services provided by RED Capital Markets, LLC (MEMBER FINRA/SIPC) and its registered representatives. DUS® is a registered trademark of Fannie Mae.



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llquinn@redcapitalgroup.com  
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## FINANCIAL SERVICES



### RECENT EXPERIENCE

Date is listed here

**\$9,265,900**

#### Jaycee Place Apartments

Loan type is listed here  
(Lowell, Massachusetts)

Date is listed here

**\$30,700,000**

#### Isabella Geriatric Center

Loan type is listed here  
(New York, New York)

Date is listed here

**\$16,705,602**

#### Savanna Springs

Loan type is listed here  
(Sierra Vista, Arizona)



RED Capital Group provides sound advice to our multifamily housing clients, and leverages our capital resources to enhance every level of their balance sheets. With decades of experience and thousands of success stories, the team at RED has the confidence to work accurately and efficiently to solve your financing challenges.

When it comes to financing options, RED has experience and industry knowledge to develop the best solution for your multifamily financing needs. We have built extensive experience originating multifamily loans guaranteed by the Federal Housing Administration (FHA) since closing our first in 1991. RED has financed \$6 billion since MAP was created in 2001, and has provided financing for Section 221(d)(4) new construction on more than 96 properties since 2000. In addition, RED is recognized as a Fannie Mae DUS® program leader in product development and execution, and has provided billions of dollars to the multifamily housing industry since 1995.

## MULTIFAMILY HOUSING



### FINANCING SOURCES

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed  
Securities (CMBS)

by Gerry Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*



**Our financing team will deliver a customized, comprehensive financing package that meets every one of your multifamily property's financial needs.**





Unlike other lenders, RED Capital Group takes servicing your loan as seriously as closing it. Our dedicated loan servicing and asset management team will work through all of the details with you, and will offer their industry knowledge and guidance at every step of the process. We provide direct access to our loan servicing specialists, who can answer your most complicated financial questions. That's how we've earned our reputation as the Face of Lending.

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## MULTIFAMILY HOUSING

# THE FACE OF LENDING



### RECENT EXPERIENCE

Date is listed here

**\$50,599,800**

**Copper Creek**

Loan type is listed here

(Las Vega, Nevada)

608 Multifamily Units

Date is listed here

**\$7,117,300**

**Charles Point – Phase**

Loan type is listed here

(Medford, Oregon)

81 Multifamily Units

Date is listed here

**\$2,385,500**

**The Lofts at One Eleven**

Loan type is listed here

(Suffolk, Virginia)

26 Multifamily Units



RED Capital Group's team of experts brings their unmatched seniors housing and health care financial knowledge to your communities or health care facilities, allowing you to worry less about your capital needs and focus on your operations. Leveraging our decades of experience in your market, RED provides financing solutions for independent living, assisted living, memory care, skilled nursing, and continued care retirement communities (CCRCs). In addition, RED works with Critical Access Hospitals to finance renovations, expansions, and new construction for rural and community hospitals across the country.

RED has been consistently recognized as a top FHA Section 232 Lean lender and among the top 5 Fannie Mae DUS® lenders for seniors housing and health care. Combining our efficient and knowledgeable team with our access to more than \$6 billion in balance sheet capital, we will continue to be one of the nation's largest providers of capital to the industry.

## SENIORS HOUSING & HEALTH CARE



### FINANCING SOURCES

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*



RED's team of experts brings their industry knowledge to your seniors housing communities, allowing you to worry less about your financing needs and focus on your operations.





We understand the essential role that operators play in seniors housing and health care, and we build partnerships with the best in the industry to augment their strengths and ensure their success. RED has worked within the seniors housing and health care industry for decades, and provides the industry:

- Bridge Financing
- Construction Financing
- Permanent Agency (FHA & Fannie Mae)
- Debt and Equity Placements
- Financial Advisory Services\*

Unlike other lending companies, RED Capital Group takes servicing your loan as seriously as closing it. Our dedicated loan servicing and asset management team will work through all of the details with you, and will offer their industry knowledge and guidance at every step of the process. We aim to give you answers to your most complicated financial questions, and that's why we've earned our reputation as the Face of Lending.

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## SENIORS HOUSING & HEALTH CARE

# THE FACE OF LENDING



### RECENT EXPERIENCE

Date is listed here

**\$5,355,000**

#### **Clearview Lantern Suites**

Loan type is listed here  
(Warren, Ohio) 84 Units

Date is listed here

**\$26,278,725**

#### **CNL – Tega Cay**

Loan type is listed here  
(Tega Cay, South Carolina)  
164 Units

Date is listed here

**\$4,089,100**

#### **The Waterford at College View**

Loan type is listed here  
(Lincoln, Nebraska) 56 Units



## MULTIFAMILY HOUSING



### FINANCING SOURCES

Balance Sheet Lending

Bond Financing\*

Commercial Mortgage-Backed  
Securities (CMBS)

Fannie Mae DUS®

Federal Housing Administration (FHA)

Sales & Trading\*

No matter the scale, RED Capital Group has access to the capital resources necessary to meet your student housing financing needs. RED's knowledgeable and dedicated team has built relationships with clients large and small who are actively financing and operating student housing. Such properties are defined as conventional multifamily properties where at least 20% of the units are leased to undergraduate or graduate students, and/or a property purposefully built or leased specifically for students.

Taking advantage of RED's extensive experience of providing customized financing solutions from various capital sources, our team will design a financing solution accommodating each scenario's unique requirements. To ensure our clients' success, RED's team also provides support and certainty of execution during each stage of what can often be complicated transactions.

“

The team at RED has extensive experience working through the complicated matters surrounding these transactions, and offers their industry expertise at every step of the process.

”



MULTIFAMILY HOUSING



THE FACE OF LENDING

At RED, we take the long-term servicing of your loan as seriously as the initial closing. That's how we've earned our reputation as the Face of Lending. Our dedicated loan servicing and asset management team will work through any and all concerns with you, and will offer their industry knowledge at every stage of the life of your loan. We provide direct access to our loan servicing specialists, who can answer your most complicated financial questions.

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RECENT EXPERIENCE

**\$5,355,000**  
**Clearview Lantern Suites**

Loan type is listed here  
 (Warren, Ohio) 80 Units



**\$26,278,725**  
**CNL – Tega Cay**

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 (Tega Cay, South Carolina)  
 164 Units

**\$4,089,100**  
**The Waterford at College View**

Loan type is listed here  
 (Lincoln, Nebraska) 56 Units



# FHA Mortgage Insurance Programs

## Section 232 Pursuant to Section 223(f)

### Refinance/Acquisition

### Skilled Nursing and Assisted Living Facilities

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RED Mortgage Capital, LLC is a leading FHA-approved Mortgagee and MAP/LEAN lender that actively underwrites, funds and services FHA insured mortgage loans for multifamily housing, seniors housing, assisted living and skilled nursing properties nationwide.

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**PROGRAM PURPOSE:**

Provides mortgage insurance for the refinance or purchase of existing skilled nursing and assisted living facilities. Unlicensed independent living units are also allowed but cannot exceed 25% of the total units of a project without a waiver. Other licensed seniors housing property types are also eligible, including intermediate care facilities and board & care homes (collectively, "Residential Care Facilities").

**ELIGIBLE BORROWERS:**

Profit motivated, non-profit and public owners are eligible.

**TERRITORY:**

Nationwide.

**MAXIMUM TERM:**

35 years (fully amortizing) or 75% of the estimated remaining economic life, whichever is less, with a minimum term of 10 years.

**STANDARD LOAN AMOUNTS:**

REFINANCING: The lesser of:

1. 80% of fair market value (85% for non-profits).
2. Amount that results in a debt service coverage ratio of 1.45x based on the underwritten Net Operating Income.
3. 100% of FHA's allowable transaction costs (no equity take-out).
4. 100% of FHA's allowable costs less grants, public loans, and tax credits.

ACQUISITION: The lesser of:

1. 80% of fair market value (85% for non-profits)

2. Amount that results in a debt service coverage ratio of 1.45x based on the underwritten Net Operating Income.
3. 85% of FHA's allowable acquisition costs (90% for non-profits)
4. 100% of FHA's allowable costs less grants, public loans, and tax credits

**PROGRAMMATIC  
MAXIMUM LOAN AMOUNTS:**

FHA is authorized to exceed the fair market value and debt service coverage limits identified above up to 85% of fair market value (90% for non-profits) and an amount that results in a 1.176x debt service coverage ratio. Exceptions to the Standard Loan Amounts are rare and only granted when a project has unique attributes that mitigate the additional risk of a higher loan amount.

**PERSONAL LIABILITY:**

None. The FHA insured loan is non-recourse and assumable.

**ASSUMABLE:**

Yes, subject to HUD and lender approval and payment of the assumption fee (0.05% of the original loan amount).

**INTEREST RATE:**

Subject to market conditions.

**PREPAYMENT:**

Subject to market conditions. Typical structures include either a 1 or 2-year lock-out period, with the remainder of the first 10 years open to prepayment subject to a penalty that declines annually. Other variations are possible based on market conditions and borrower preferences.



**FHA APPLICATION FEES:**

0.3% of the loan amount, payable to HUD at submission of the firm application.

**MORTGAGE INSURANCE PREMIUM:**

The annual MIP is currently 0.65% (0.45% if the project utilizes Low Income Housing Tax Credits) of the outstanding loan amount. The first year MIP is due at closing and is 1.0% of the loan amount.

**REPAIRS/IMPROVEMENTS:**

Funds for repairs, deferred maintenance and capital improvements for generally up to 15% of value can be included in the loan amount, subject to the maximum loan limitations.

**REPLACEMENT RESERVES:**

Annual deposits are required based on estimates determined by a third-party Project Capital Needs Assessment. An initial deposit to the replacement reserve will be required at closing and can be funded by the mortgage loan.

**SECONDARY FINANCING:**

Permitted in the form of a surplus cash note. Combined loan to value cannot exceed 92.5% unless secondary financing is from a governmental source.

**FUNDING:**

Qualifies for Ginnie Mae guaranteed mortgage-backed securities, direct placement or may be used to credit enhance tax-exempt bonds.

**TIMING:**

Lender underwriting and preparation of an application will take approximately 8 weeks. Timing for approval from FHA will be contingent on their workload at the time of the application submission. Red will estimate this timing based on recent experience.

**THE PROGRAM HAS THE FOLLOWING ADDITIONAL PARAMETERS:**

1. The FHA Section 232 pursuant to 223(f) mortgage insurance program is the most attractive credit enhancement program available for taxable and tax-exempt acquisition financing or refinance of residential care facilities.
2. Facilities financed under this program must be at least 3 years old.
3. Existing debt to be refinanced must be at least two years old unless it was used for an eligible purpose as defined by FHA (refinancing of prior eligible indebtedness, arms-length acquisition, property improvements, operating losses, etc.).
4. A master lease may be required when an owner finances 3 or more properties or \$15 million or greater in combined loan amounts with the FHA healthcare programs within an 18-month period.

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For additional information visit [www.redcapitalgroup.com](http://www.redcapitalgroup.com) or contact:

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Chief FHA Underwriter  
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Red Mortgage Capital, LLC is a leading FHA-approved Mortgagee and MAP/LEAN lender and actively provides financing utilizing FHA insurance programs nationwide pursuant to Multifamily Accelerated Processing (MAP) and LEAN underwriting methods.

In its prequalifying review, Red Mortgage Capital, LLC will attempt to estimate both the loan amount and the fees and costs associated with the transaction. Actual loan amounts and actual fees and expenses may vary from the prequalifying estimates. A prequalifying estimate is not a commitment to make a loan.

RECENT TRANSACTION EXPERIENCE

# Seniors Housing & Health Care



At RED, we provide expert advice and capital at every level of the balance sheet. Our activities encompass all asset classes including: independent living, assisted living, dementia/Alzheimer's care, skilled care and CCRCs.

Our capabilities include:

- construction and permanent financing (acquisitions and refinances)
- utilizing agency executions (Fannie Mae and FHA),
- bond financing\*,
- principal lending (first mortgage, mezzanine and other structured options),
- Financial Advisory/M&A work.

RED's Seniors Housing Group was formed in 1990, is a leading FHA lender for health care nationally and has had the distinction of being a Top Fannie Mae DUS® Seniors Housing lender since 2003.

\* Services provided by RED Capital Markets, LLC (MEMBER FINRA/SIPC) and its registered representatives.

This announcement appears as a matter of record only

March 2014

**\$5,355,000**

**Clearview Lantern Suites**

Balance Sheet Loan

(Warren, OH)

172 Units

Financing provided by

**RED Capital Partners, LLC**

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March 2014

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RED Capital Group is a direct provider of debt and equity capital to multifamily, affordable and student housing communities, and seniors housing and health care facilities. RED is comprised of three primary entities, whose employees provide integrated mortgage banking, investment banking and proprietary banking services.