

## Case Study: Wilmac Corporation

### Property Type:

Three properties providing skilled nursing

### Location:

Pennsylvania

### Project Objective:

Refinance/Renovation/  
Debt restructuring

### Financing Amount:

\$34.5 million

### Source of Funding:

Fixed-rate notes insured by the FHA Section 232/223(f) program via LEAN processing

*"We were able to close on multiple properties simultaneously under HUD's new LEAN processing because of Lancaster Pollard's experience, determination and smart approach to our complex situation. Although we attempted other paths, we felt Lancaster Pollard's creativity and relationship with HUD would get the deal done. Our choice was spot on."*

– Michael Cuba  
Vice President Finance  
Wilmac Corporation

### Background and Challenges

Wilmac Corporation is a family-owned senior health care provider that has developed, owned and operated skilled nursing, independent living, assisted living and other senior communities in Pennsylvania since 1957. As part of an overall debt restructuring, the company sought to refinance existing debt that had reached its term maturity. Each property had an outstanding loan with a 10-year term in which the properties were cross-collateralized, and this required that the three new HUD financings had to close simultaneously. Each also was using accounts receivable financing to fill reimbursement timing gaps.

### Financial Solution

Lancaster Pollard worked with Wilmac to refinance all three properties using HUD's new LEAN processing for Section 232/223(f) mortgage insurance. Lancaster Pollard emphasized the strength of Wilmac's cash flow and its dedication to senior living to provide a strong credit package to HUD.

The firm also helped make HUD comfortable with the AR financing component, the approval process for which was only recently formalized.

Refinancing all three loans at once required coordinating with three separate HUD underwriters. Lancaster Pollard managed this process so that the closings would occur simultaneously as required.

### Outcome

The financings were the first group of loans closed simultaneously under the new streamlined LEAN process. The loans extend the properties' amortizations to 25 years. In addition to the predictability of fixed payments, the loans provide for capital improvement dollars to renovate the facilities and improve the overall marketability of the nursing centers.

Financing Progress

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