



Capital Advisory

In collaboration with National Assisted Living
Association Advisory Services, (NALA | AS)

WilshireFP.com

—
Debt
Equity
Advisory

Wilshire FP

SENIORS HOUSING



FINANCE DIVISION

WILSHIRE

FINANCE PARTNERS

Proven Professional Performance

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About Us

In collaboration with National Assisted Living Association Florida Advisory Services (NALA | AS), Wilshire Finance Partners (“Wilshire”) has the ability to deliver capital advisory services to assist with the financing needs of owners and operators of age-restricted housing, independent living and senior assisted living facilities; including, financing for:

- **Strategic Acquisitions**
- **Competitive Repositioning**
- **Acuity Level Transitioning**

Wilshire Finance Partners is a leading private debt fund delivering capital solutions to owners and operators of seniors housing and healthcare real estate. As a direct capital source, we deliver fast and flexible short-term bridge loans ranging from \$1 million to \$10 million. Through our strategic relationships, we arrange permanent loan solutions at competitive rates and terms. By combining institutional sophistication and an entrepreneurial approach in a boutique lending environment, we provide our clients with access to a diverse set of resources and customized solutions.

**Capital Market
Solutions**

**\$1,000,000
TO
\$10,000,000**

NATIONWIDE



Alternative Debt

Wilshire's alternative short-term capital solutions are used by clients to strategically bridge the gap in timing and financing on opportunities and situations requiring the speed and flexibility of a balance sheet lender. Bridge loans and short-term financing is typically used for:

Strategic Acquisitions

Purchases requiring speed, transactions involving acquisition and stabilization, value-add transactions, and other market opportunities.

Competitive Repositioning

Competitive repositioning of properties to gain or maintain market advantage or financial repositioning; including, pre-agency recapitalizations and cash-out refinances, partner buy-outs, structured earn-outs, sale/lease-backs, and other transactions involving the real property asset.

Acuity Level Transitioning

Using the equity in a facility to facilitate change driven by external drivers and internal opportunities; including, increased regulation and compliance costs or the opportunity to capture additional demand through a modified level of care.

Through its real estate debt funds, Wilshire funds bridge loans and other investments from \$1 million to \$10 million secured by senior housing and healthcare real estate nationwide; including:

- First Mortgages
- Mezzanine Debt
- Second Mortgages
- Participating Debt / Hybrid Equity



Permanent Debt

In addition to closing and servicing loans on the balance sheets of our funds, Wilshire has strategic relationships to deliver bank, credit union, insurance company, finance company, CMBS, and agency financing solutions.

Agency

Agency loans include SBA, FNMA, FHLMC, and HUD catering to experienced borrowers with seasoned operating assets. These loans offer extremely competitive rates, varying recourse provisions, and longer amortization terms with leverage that may be up to or exceed 80% on certain property types.

Bank / Credit Union:

Banks and Credit Unions that hold loans on their balance sheets may offer the borrower more flexible financing solutions. Loan conditions may include fixed or floating rates, initial interest-only periods, three to ten years in duration with recourse and leverage at approximately 65%-75%.

Insurance Company:

Insurance Companies cater to borrowers who want longer loan terms with the greatest flexibility in structure. These loans are more conservatively underwritten and rely heavily on the sponsorship and asset quality, providing terms over fifteen-years, varying recourse provisions, and leverage up to 70%.

Conduit / CMBS Loans:

CMBS execution is an attractive avenue for many borrowers. They are typically aggressively priced, non-recourse, fixed-rate loans with terms up to ten-years and leverage up to 75%.



Equity

Through its funds and strategic relationships, Wilshire provides capital solutions for strong owner/operators requiring additional equity and equity-like capital. Although the need for equity may be on a stand-alone basis, sponsorship often engages Wilshire to assist with the debt financing.

The structure and terms of equity and equity-like capital varies and is driven by a number of factors, including:

- The overall experience, education, and breadth of the sponsorship team;
- sponsorship direct in-market experience with the specific asset type and transaction requirements;
- verifiable positive financial results as a sponsor on similar prior transactions;
- sponsorship regulatory and litigation history;
- sponsorship at-risk cash in the transaction;
- sponsorship personal financial strength and liquidity; and
- the source, form, and structure of other partners and equity.

Projects considered must be in primary markets and strong secondary markets with positive population, target demographic, and economic growth trends. Further, the feasibility, viability, execution risk of the transaction, transaction economics, budget, and the timing of the realization event/exit will impact the equity capital availability, structure, and cost.

Wilshire's business model is a relationship-based approach that favors repeat, systematic-type business with strong sponsorship seeking an efficient capital partner in exchange for delivering consistent, above-average returns.



Advisory

The combined team of Wilshire and NALA | AS represents professionals with various disciplines, including, regulatory compliance, recruiting, training, operations, capital markets, and corporate finance. Further, through our network we can provide referrals to other firms that provide assistance in a number of areas, including, accounting, the acquisition and disposition of real estate, audit, legal, mergers and acquisitions, and valuation. As a result, the combined team of Wilshire and NALA | AS has the ability to marshal the people and resources necessary to help you with high impact, strategic projects and situations without diluting the focus of your operations team on your day-to-day business.



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FINANCE

Delivering solutions-oriented advice and capital alternatives based on the unique characteristics, challenges, and objectives of our clients.



BUSINESS DEVELOPMENT

Increasing profitability through strategic partnerships and new business relationships.



GROWTH

Identifying growth opportunities, and process and system refinements to help businesses operate more efficiently.

DISCLOSURE: Wilshire and NALA | AS do not provide legal, accounting, or tax advice. All legal, accounting and tax services will be provided by separate engagement directly with third party advisors.



Case Study



Purchase using a Hybrid/Spit Financing Structure

Financing Structure: Bridge Loan and Hybrid Equity

- First Mortgage of \$2,795,000
- Second Mortgage (Participating) of \$860,000

Loan Term: 2 Year

Loan to Value: 59%LTV, 85% CLTV

Largo, Florida

An experienced operator and repeat borrower identified a family-run senior assisted living facility that was not maximizing its full potential. Based on the square footage and existing approvals, the new operator identified the opportunity to increase the bed count and cash flow using the existing building footprint subject to regulatory approvals related to zoning changes to the facility's parking. In a transaction that was more efficient than syndicated equity, Wilshire delivered 85% of the capital stack consisting of first mortgage of \$2,795,000 and a participating second mortgage of \$860,000. The benefits to the sponsor under this facility included an efficient single source of capital, lower cost capital as compared to preferred equity, and certainty of execution.



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