

# HUD's Express Lane for Healthcare

*Context, Policy, and Credit Implications*



# Key Takeaways

HUD launched a new "Express Lane" program to expedite Section 232/223(f) applications for refinancing skilled nursing and assisted living facilities.

The program targets low-risk, low-leverage borrowers and reduces underwriting timelines from 120+ days to as few as 10 to 15 days.

Qualification requires strong financials, quality-of-care scores, operator experience, and clean compliance histories.

Express Lane represents a strategic opportunity for qualified borrowers to access HUD-insured capital faster and more efficiently.

## Policy Context: Expediting High-Performing Borrowers

Announced by HUD on June 11, 2025, the Express Lane program emerges in response to mounting pressure within HUD's Office of Healthcare Programs to reduce pipeline backlogs and reward borrowers with high-quality operational and financial profiles.<sup>1,4</sup> Traditionally, FHA-insured refinancings under the 232/223(f) program could take four to six months or longer to close due to extensive underwriting, third-party reports, and queuing delays. This new pilot program bypasses much of that friction for pre-qualified deals.

To qualify, borrowers must meet a stringent set of criteria:

Eligibility Criteria	Requirement
Loan-to-Value (LTV)	≤ 70%
DSCR	≥ 2.0x (SNF), ≥ 1.6x (non-SNF)
Quality of Care Metrics	No Red Hand or G-tags (12mo)
Overall & Health Star Rating	≥ 2
Operator Tenure	≥ 2 years at facility
FHA Credit History	No 60-day lates or FHA claims
Loan Size	< \$50MM (\$70MM NYC Metro)
Revenue Mix	≤ 20% from special use
Application Readiness	No outstanding due diligence issues

Source: U.S. Department of Housing and Urban Development, Press Release No. 25-091 (July 10, 2025); Senior Housing News, Industry Intelligence, and MortgagePoint reporting

Loan size is capped at \$50 million nationally, or \$70 million in the New York City metro area.<sup>1,3,4</sup>

Applications must be submission-ready, meaning there are no unresolved environmental, corporate, or participation issues.

## Execution Advantage: Days, Not Months

The most transformative element of the Express Lane program is its potential to reduce HUD's historically long processing timelines. According to HUD, eligible transactions can now receive a firm commitment within 10 to 15 days of application submission—a marked improvement over the standard 120 to 150-day timeline.<sup>1,3,4</sup>

In the traditional model, borrowers wait 60 to 90 days for queue placement and assignment, followed by a 45 to 60-day underwriting window. In total, that process can span 120 days or more. Under Express Lane, HUD eliminates queue time entirely for eligible transactions and leverages trailing financials and existing regulatory data to reduce underwriting time.

# Key Takeaways

*continued*

The result is a dramatic shift in speed to capital. For borrowers who meet the high bar, this program brings HUD execution timelines in line with, or even faster than, traditional agency takeouts.

## Implications for Credit, Policy, and Market Positioning

For lenders, developers, and investors, Express Lane introduces a new framework for engaging HUD-insured financing on stabilized healthcare assets. Importantly, the program does not loosen credit standards; instead, it accelerates execution for assets that already meet HUD's most conservative underwriting thresholds. But for those who do, the relative advantage is substantial: faster closing, lower carry costs, and more nimble deployment of capital.

Policy-wise, Express Lane reflects HUD's desire to differentiate between high- and moderate-risk applications. By clearing the runway for the best-in-class operators, the department can redirect resources to more complex deals while ensuring throughput for reliable counterparties. This triage model may also nudge mid-tier borrowers to improve compliance and quality metrics to access similar benefits in future iterations.

For the market, the impact is real but bounded. Current industry estimates suggest that only 10% to 15% of HUD's healthcare volume will meet Express Lane standards.<sup>2</sup>

## Bravo's View: Strategic Acceleration for Qualified Borrowers

Bravo Capital has underwritten and closed healthcare financings under Section 232 and is actively screening transactions for Express Lane eligibility. Our internal tools allow us to rapidly assess DSCR compliance, quality-of-care

metrics, and LTV alignment based on trailing financials. With long-standing relationships across HUD's Lean offices, our team is positioned to expedite submissions and advocate for accelerated review where appropriate.

In a capital environment where timing can make or break execution, the Express Lane is more than a procedural tweak. For qualified borrowers, it is a meaningful competitive advantage. As HUD continues to evolve its healthcare financing posture, now is the time for qualified borrowers to identify eligible assets — and Bravo stands ready to help sponsors assess eligibility and fast-track submissions before industry awareness drives increased participation.

## Conclusion

The Express Lane program is a compelling policy development that pairs conservative credit standards with forward-leaning execution mechanics. While limited in scope, it rewards high-quality borrowers and offers clear cost and timing benefits. From a credit perspective, the program improves efficiency without increasing exposure. From a market perspective, it gives operators and lenders new tools to move quickly in a highly regulated space. In Bravo's view, Express Lane-qualified deals represent some of the most attractive credit opportunities in the current market—and we are actively sourcing and executing within this new framework.

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## About Bravo

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## Sources

1 Source: <https://www.hud.gov/news/hud-no-25-091>

2 Source: <https://seniorhousingnews.com/2025/06/20/hud-express-lane-to-cut-months-from-process-but-senior-living-may-struggle-to-qualify/>

3 Source: <https://www.industryintel.com/news/hud-launches-express-lane-program-to-expedite-fha-financing-for-residential-care-facilities>

4 Source: <https://themortgagepoint.com/2025/07/10/hud-actions-residential-care-facilities-to-receive-new-funding/>

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