



FOR IMMEDIATE RELEASE

Christine McCarty
312 596 1617
cmccarty@ziegler.com

ZIEGLER CLOSES \$17,990,000 FINANCING FOR WARM HEARTH VILLAGE

CHICAGO, IL – JULY 17, 2020 – Ziegler, a specialty investment bank, is pleased to announce the successful placement of Warm Hearth Village’s \$17,990,000 taxable bank transaction.

[Warm Hearth Village](#) (Warm Hearth) is a Virginia not-for-profit organization that owns and operates a life plan community located in Blacksburg, Virginia. Warm Hearth was founded in 1974 and provides housing, health care, and other services to seniors on its 220-acre campus through the operation of 259 independent living units, 55 active adult units, 150 assisted living units and 60 skilled nursing beds.

On behalf of Warm Hearth, Ziegler solicited ten commercial banks for a loan the proceeds of which will be used to: (1) refund/consolidate nine outstanding direct bank placements with three different banks, (2) finance \$2 million of campus improvements; and, (3) pay a portion of the costs of issuance for the financing. Historically, Warm Hearth had borrowed for projects using individual properties as collateral, which led to a cumbersome capital structure that lacked flexibility. In addition to making structural changes, a major part of the strategy behind the refunding/consolidation was to put in place a master trust indenture to provide greater flexibility. National Bank of Blacksburg was selected by Warm Hearth due to their pricing, full-term commitment and attractive covenants. The Series 2020 Loan is structured as a taxable loan with a 20-year level debt service amortization at a direct fixed rate of 3.34%, which will reset after 10-years based on the 10-year Treasury but be range bound between 3.34% and 4.34%. The loan includes flexible prepayment provisions which allow for the loan to be fully repaid at par starting in year 5. Warm Hearth selected the taxable option as the increased cost of issuance for the tax-exempt alternative eliminated the tax-exempt benefit. Under the new structure, Warm Hearth was able to reduce their annual debt service by approximately \$550,000 even with the additional of the \$2 million of new money for campus improvements.

[Tommy Brewer](#), Managing Director, Ziegler Senior Living Finance stated, “We are grateful for the opportunity to work with Warm Hearth for the first time and excited in the results of the financing. The financing was able to reduce the organization’s cost of capital, provide a more flexible principal amortization schedule and create a legal structure that will enhance Warm Hearth’s flexibility for future strategic initiatives.”

Ziegler is one of the nation's leading underwriters of financing for not-for-profit senior living providers. Ziegler offers creative, tailored solutions to its senior living clientele, including investment banking, financial risk management, merger and acquisition services, seed capital, FHA/HUD, capital and strategic planning as well as senior living research, education, and communication.

For more information about Ziegler, please visit us at www.ziegler.com.

About Ziegler:

Ziegler is a privately held, national boutique investment bank, capital markets and proprietary investments firm. It has a unique focus on healthcare, senior living and education sectors, as well as general municipal and structured finance. Headquartered in Chicago with regional and branch offices throughout the U.S., Ziegler provides its clients with capital raising, strategic advisory services, fixed income sales, underwriting and trading as well as Ziegler Credit, Surveillance and Analytics. To learn more, visit www.ziegler.com.

Certain comments in this news release represent forward-looking statements made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. This client’s experience may not be representative of the experience of other clients, nor is it indicative of future performance or success. The forward-looking statements are subject to a number of risks and uncertainties, in particular, the overall financial health of the securities industry, the strength of the healthcare sector of the U.S. economy and the municipal securities marketplace, the ability of the Company to underwrite and distribute securities, the market value of mutual fund portfolios and separate account portfolios advised by the Company, the volume of sales by its retail brokers, the outcome of pending litigation, and the ability to attract and retain qualified employees.

#