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Insights

Bank Consolidation Poses Challenges for Senior Living Communities

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A representative from specialty investment bank Ziegler recently sat down with *Senior Housing News* and explained how the fact that nearly half of all U.S. banks have been acquired or gone out of business in the last 20 years poses unique challenges to the senior housing industry.

With that consolidation comes changes to bank lending outlooks, including some that may not favor lending to the senior housing industry. An additional challenge is the delays in lending that occur as merging banks examine their lending portfolios to make sure their mix of commercial and industrial lending doesn't run afoul of the Office of the Comptroller of the Currency.

That squeeze on credit availability, along with the performance challenges presented by COVID, may leave some senior housing owners out in the cold when it comes time to refinance their existing debt. So, facility owners with loan maturity dates looming would be wise to start the refinancing process earlier than usual.

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