



SMALL LOAN BALANCE COMMERCIAL LOAN PROGRAMS

Program Summary

Long-term, fixed rate financing up to \$5,000,000 for mixed-use, mobile home parks, multifamily properties of 5 units or more, office buildings, retail/shopping center, industrial buildings and self-storage facilities.

Property Criteria

Mixed Use

Properties whose commercial rental income represents 20%-50% of the gross potential rental income. Property must have a minimum residential component of 50% of gross potential rental income.

Amortization - Up to 25 years
Maximum Loan to Value - 75%
Minimum Debt Service Coverage - 1.30x

Mobile Home Parks

Amortization - Up to 25 years
Maximum Loan to Value - 75%
Minimum Debt Service Coverage - 1.25x

Multifamily - 5 or more units

Amortization - 25-30 years (30 years for properties less than 15 years old)
Maximum Loan to Value - The lesser of 80% of appraised value, or 80% of purchase price
Minimum Debt Service Coverage - 1.25x

Office, Retail, and Industrial

Office - general office space
Retail - anchored, unanchored, shadow;
Industrial - bulk distribution, multi-tenant
Amortization - Up to 25 years
Maximum Loan to Value - 75%
Minimum Debt Service Coverage - 1.30x

Self-Storage Facilities

Amortization - Up to 25 years
Maximum Loan to Value - 75%
Minimum Debt Service Coverage - 1.30x

UNDERWRITING CRITERIA

- Loan Amount:** \$750,000 – \$5,000,000 in Baltimore, Boston, Chicago, Los Angeles, New York, Sacramento, San Francisco, San Jose, Seattle and Washington DC
\$750,000 – \$3,000,000 in all other eligible markets
- Loan Terms:** Balloon loan terms of 5, 7, 10, or 15 years with amortizing terms up to 30 years, fully amortizing loans with terms up to 30 years, or hybrid ARM loan terms of 30 years with 7 or 10 years fixed
- Amortization:** 25 or 30 years, based on the age of property and condition
- Prepayment Penalty:** Fixed Rate: Yield maintenance formula with a 1% minimum (Declining Percentage Fee schedule is available upon request)
Adjustable Rate: 1% or Declining Percentage Fee Schedule
- Recourse:** Non-recourse lending in select large markets; subject to Lender's discretion
- Debt Service Coverage:** 1.25x minimum DSCR
- Loan to Value:** Up to 75% maximum LTV for refinances and 80% for acquisitions
- Subordinate Financing:** Supplemental mortgages are available after the first 12 months of the loan term or loan assumption
- Occupancy:** Properties must demonstrate a minimum occupancy of 90% for a 12 month period prior to commitment, with 90% for 90 days available on a case-by-case basis
- Assumability:** Non-recourse loans are assumable with the Lender's consent and a 1% fee
- Taxes and Insurance Escrows:** Required for Tier II business and generally not required for Tiers III and IV
- Net Worth and Liquidity:** Net worth equal to the loan amount and liquidity equal to 6 months P&I required
- Replacement Reserve Escrows:** Generally not required for qualifying Borrowers
- Rate Lock:** Rate lock occurs after commitment is issued; The early rate lock option is also available for a fixed rate and hybrid ARM loans
- Fees:** Due Diligence Fee: \$4,500 – \$8,500 non-refundable fee for 3rd party reports and processing; Fees due at application apply to fixed-rate loans and may vary by market; Fees may be made refundable at closing with a corresponding spread increase; Rate Lock Deposit: Good Faith Deposit of 1% to 2% due upon acceptance of commitment and is refundable upon closing
- Timing:** 45-60 days from complete application to commitment