

APARTMENTS (5+ UNITS), MOBILE HOME PARKS (15+ PADS)
MIXED USE (6+ Units, 5 residential plus retail/office)
\$400,000 to \$5,000,000 Loan Amounts - (CA min. \$500,000)
Available in ALL 50 States and DC

3 Year Fixed then auto roll over to 6 MO LIBOR index + 2.50 Margin										<u>30 YR TERM/AMORTIZATION</u>	
Apartment Rate	60 Day Locks	Pre-Payment Penalty			Caps: 5/1/6			Assumable for 1%			
	Origination Fee	1 yr.	2 yr.	3 yr.							
7.34	0.00	4%	2%	0.00	Qualification Rate is Start Rate						
6.84	1.00	<i>See Below for 3 Year Fixed Interest Only Program</i>									
										<i>Add .10 to Rate</i>	
5 Year Fixed then auto roll over to 6 MO LIBOR index + 2.50 Margin										<u>30 YR TERM/AMORTIZATION</u>	
Apartment Rate	60 Day Locks	Pre-Payment Penalty			Caps: 5/1/6			Assumable for 1%			
	Origination Fee	1 yr.	2 yr.	3 yr.	4 yr.	5 yr.					
7.51	0.00	5%	4%	3%	2%	0.00	Qualification Rate is Start Rate				
6.85	1.00	<i>See Below for 5 Year Interest Only</i>									
										<i>Add .10 to Rate</i>	
7 Year Fixed then auto roll over to 6 MO LIBOR index + 2.50 Margin										<u>30 YR TERM/AMORTIZATION</u>	
Apartment Rates	60 Day Locks	Pre-Payment Penalty			Caps: 5/1/6			Assumable for 1%			
	Origination Fee	1 yr.	2 yr.	3 yr.	4 yr.	5 yr.	6 yr.	7 yr.			
7.43	0.00	5%	4%	4%	3%	2%	1%	0.00	Qualification Rate is Start Rate		
6.96	1.00										
10 Year Fixed then auto roll over to 6 MO LIBOR index + 2.50 Margin										<u>30 YR TERM/AMORTIZATION</u>	
Apartment Rates	60 Day Locks	Pre-Payment Penalty			Caps: 5/1/6			Assumable for 1%			
	Origination Fee	1 yr.	2 yr.	3 yr.	4 yr.	5 yr.	6 yr.	7 yr.	8 yr.	9 yr.	
7.48	0.00	5%	5%	4%	4%	3%	2%	1%	1%	0.00	
7.09	1.00										
15/15 Year Fixed										<u>15 YR TERM/AMORTIZATION</u>	
Apartment Rates	60 Day Lock	Declining Pre-Payment Penalty			Assumable for 1%						
	Fee	1 yr.	2 yr.	3 yr.	4 yr.	5 yr.	6 yr.	7 yr.	8 yr.	9 yr.	
7.84	0.00	5%	5%	4%	4%	3%	2%	1%	1%	0.00	
7.45	1.00										
<u>INTEREST ONLY FIXED FOR 3 OR 5 YEAR FIXED PROGRAM</u>											
Maximum LTV is 70% purchase and no cash out refinances and to 65% LTV for cash out refinances. 15 year call. The rate and to qualify the loan we use the start rate of the 3 Or, 5 year program above and 30 year amortization plus 10 bps. Fixed for 3 or 5 years then rolls over to 6 MO LIBOR index plus 2.50 margin, 30 yr amortization, Minimum 1.30 DCR											
<u>MIXED USE PROPERTIES FIVE PLUS RESIDENTIAL UNITS MINIMUM PLUS RETAIL AND OR OFFICE</u>											
Mixed-Use is defined as properties where no more than 25% of the current gross potential income comes from the commercial units and the number of commercial units does not exceed 25% of the total legal units											
<u>MOBILE HOME PARKS</u>											
Minimum of 15 Pads or more. Maximum 25% Park Owned Units, add 10 basis points to above rates.											

UNDERWRITING GUIDELINE HIGHLIGHTS

1.20 DCR - 90% CLTV w/Seller Carry Backs - 80% LTV Purchase & Rate & Term Refinance
85% Purchase/Refi CLTV Mezzanine Second Mortgage (1.05% CDCR) \$100K to \$400K, 700+ score
75% LTV unlimited cash out refinances - Need 2 years ownership in order to use appraised value for C/O
Add .10% to Rates for loans greater than 75% Add .10% to Rate for Interest Only

Add 1.00% to Rates for Loans from \$400,000 to \$499,999

Master-Metered Buildings **OK** Conversions from something to Apartments **OK** Assumable for 1%
 Credit Risk Score 680 (call for exceptions) 10% Gift Funds Allowed from close family member
 Up to 30 years term/amortization Or, 15/15 Programs Interest Only Programs

Buy Down and Origination Fees are 100% Tax Deductible

NO Environmental Phase I unless called out for in the appraisal **NO** Wall Street Legal Expense
NO Engineering Report **NO** Reserve Escrow for Repairs **NO** Seasoning on Quitclaim Deeds
NO Defeasance or Yield Maintenance Pre-Payment Penalties **NO** Lockouts **NO** Balloon Payment
NO Borrower DTI ratio analysis used on income properties

We specialize in self employed residential stated borrowers

Remember: Buy downs and originations are 100% tax deductible

Fees Paid to Close a Loan...

Step 1. *Non-refundable fees included at time of Conditional Commitment Letter:*

- a) Appraisal/Loan fee of \$3,500 for Apartments and Mixed Use Properties.
- b) Appraisal fee of \$5,500 for Mobile Home Parks.

Step 2. *After borrower has signed and returned Conditional Commitment Letter:*

- a) Full Inside and Out Termite Inspection. Required on all Apartment and Mixed-Use property purchase Loan transactions in the following states only: Alabama, Arkansas, Arizona, California, Florida, Georgia, Louisiana, Mississippi, North Carolina, Nevada, New Mexico, Oklahoma, South Carolina, Tennessee, Texas, and Utah.
- b) 60 day Rate Lock fee \$500.

Step 3. *Fees paid at Closing:*

- a) Origination fee paid to referring broker.
- b) Title work cost quoted by local title company. First American Title or Chicago Title are our preferences.
- c) Escrows for Taxes and Insurance unless LTV is 50% or less.
- d) Three months reserves principle and interest payment showing in a liquid account of borrower.

Fees subject to change without notice or based on uniqueness of property.

What is the BIG difference between Commercial loans and Residential loans?

**The DCR (debt coverage ratio) of the property supports the loan not the borrower's personal DTI.
The DTI of the borrower(s) isn't even reviewed!**

The DCR has to be 1.20 or Higher.

Here's how you calculate the DCR:

New Loan (Principal and Interest) divided into Net Operating Income of the Property (NOI)

Need a Credit Pre-Approval Letter?

See 85% CLTV Mezzanine Option Next Page

Mezzanine Second Option for Program A Program Summary – Up to 85% CLTV

Property Types

Multifamily, Mobile Home Parks and Mixed Use

Maximum LTV

85% combined

Loan Amount

Up to 10% of appraised value

Min/Max Loan Size

\$100,000 to \$400,000

Mezzanine Rates

12.95% fixed (7 and 10 year term)

13.15% fixed (5 year term)

Mess Term

5, 7 and 10 year options available

Amortization

A Note – 30 year schedule

B Note – Fully amortizing to match the Term

Minimum DCRC

1.05%+ combined

Reporting Requirements:

Monthly until B note is securitized
Quarterly thereafter.

Administrative Fees

\$1,000 (plus registration fee)

Origination Fees

1% or mezzanine note

Credit Score Min Requirement

700 (Average of three scores)

Recourse

100% for both A and B Notes
(Regardless of LTV)

Prepayment Penalty

A Note – Step down percentage

B Note – May be retired separately

Lockout

Lockout is 2 yrs from B closing.

Asset Quality

“Good or Better”