

Floating Rate Program

minimum loan \$1,000,000 to \$10.0MM

70 - 80% LTV depending on property (mezz loan may be available to 90-95% for multifamily, mixed use, office, retail and light industrial)

condo conversions
gas stations / convenience stores
special use (bowling, tennis, car wash etc)
multifamily & mixed use
office, retail, warehouse
industrial (subject to clean Phase 1)
golf course
motel (non-flag) (limited availability)
owner occupied
others considered

Low personal credit score considered
judgments & liens ok with explanation
no recent bankruptcy (7 years)

WSJ prime plus 2 - 4%
2 - 4 points

5 year term with 20-25 year amortization

prepayment penalty

3% year 1 – 2% year 2 and 1% year 3 (may be reduced for turn-a-round properties)

close in 3-6 weeks

1% deposit for 3rd party reports

appraisal
phase 1 environmental
engineering
borrower background check

typical reposition transaction

borrower buys apartment property with 30% vacancy (good location bad management)
we lend 80% of the as-is value (purchase price) lend 80% of the rehab dollars in a second mortgage. The borrower rehabs and leases the property in two years, paying a 1% PPP and refinances at 75% of value at stabilization, taking all his cash out plus some more. Cost of transaction – WSJ prime plus 3% plus 3 points... cheap for the results.

Exhibits for approval:

Loan request: amount, terms requested, use of funds and estimated closing date

Property section:

- > property type
- > digital photos
- > leased or owner occupied
- > physical description (area, # of apartment units, room, etc.)
- > income and expense statement (if a repositioning transaction, a projected I&E also)
- > current rent roll with information of each tenant (lease start and end date, sq.ft. or apartment #, current rent, any additional rent CAM, vacant units with market rent)
- > appraised value if know or borrower's estimate of value
- > purchase contract
- > or if a refinance, date of purchase, price paid, original and current mortgage balance, interest rate and mortgage payment and mortgage payment history, two years tax returns on owning entity

Borrower section:

- > principal's financial statement
- > credit report
- > resume of real estate experience or business experience if owner occupied
- > 2 years tax returns
- > credit explanation letter if needed

A Letter of Interest will be issued upon receipt of satisfactory exhibits

Business Analysis section:

1. Current Mortgage Note and last month's mortgage statement
2. Rent Roll
 - Lease Type- NNN, Gross, etc.
 - Sq. ft.
 - Lease term
 - Business type of each tenant
3. Principal's bank statement of past 6 months
4. Borrower's bank statement of past 6 months
6. Principal's resume
7. Company background description
8. Incorporation documents, which show the ownership structure
9. Property owner's tax return of 2002, 2003, 2004
10. Principal's 2003 & 2004 tax return
12. Is there any management company for the subject property? Please provide background and experience description.

13. Regarding the owner-operating business- , kindly provide the following information.

<For Owner-Occupied Property>

- Business started by _____ (founder) in _____. If current principal is different from the founding one, what year succeeded? What year the business incorporated?
- Describe the operation.

For example-

Operating hours, one or two shifts, weekend/holiday schedule (if applicable)

of employees and by department

- Products/services, geographic service area (territory)
- Marketing, source of clients, major clients (if applicable)
- Major facility/production equipment

For example:

Type of business	Major facility or Production Equipment
Senior Care	# of beds/rooms
Child/Day Care	Capacity of full enrollment
Gas Station	# pump stations, island & tanks
Printing	# of presses, binding, collating, cutting, etc.
Self-Storage	# of units, what sizes
Restaurant	Seating capacity
Bowling	# of lanes

What is the utilization ratio of the facility or production equipment?

- Pricing Mix, strategy
- Local competition, competitors
- Seasonal cycle, monthly sales figures for the past 12 months
- Banking relationships

What bank the operating entity maintains the banking relationship with?

Any loan from the bank?

14. Historical operating statement (profit and loss statement) of borrower
15. 3 year projection (operating statement) of borrower and property owner.
16. Borrower's and Owner's updated Balance Sheet
17. Principal's Balance Sheet
18. Please provide the leases