



CONVENTIONAL APARTMENT LOAN PROGRAM SUMMARY

PROPERTY TYPE:	Existing apartments buildings (minimum five units) in good condition.
PROPERTY AGE:	Post 1975 construction is preferred, although older properties will be considered.
PREFERRED LOAN SIZE:	\$500,000 to \$25000,000. (Larger and smaller loans are considered and priced on an exception basis.)
LOAN LIMITS:	The loan may not exceed 80% of the value or the amount that produces a minimum debt coverage ration of 120%.
OCCUPANCY REQUIREMENTS:	The property must have at least 85% occupancy for the past twelve months. Unusual tenancies or lease expiration characteristics are considered on a case by case basis. Student housing loans are acceptable but are subject to 70% LTV, 125% debt service coverage and a 25 bp rate premium.
BORROWING ENTITY:	Generally, a single purpose entity is required.
LOAN TERM:	3, 5, 7 or 10 year balloons. Amortizations are generally 15-25 years but may be as long as 30 years for newer properties in good condition.
RATES:	Interest rates are set at a fixed spread over comparable term treasuries or LIBOR rates and vary as a function of coverage ratios. Both fixed and variable rate programs are available. Please call for current spread requirements.
GUARANTEES:	Both recourse and non-recourse programs are available, dependent on the loan quality and property size.
RESERVES:	Tax and insurance impounds are required. Also, a replacement reserve account is required on some loan programs. Please call for further information.
PREPAYMENT:	Varies from program to program. Some have declining fixed percentages matching the fixed period while others have yield maintenance. Usually open to pre-payment without penalty after the initial fixed period or in the final six months.
EXCEPTIONS:	We can consider on an exception basis subsidized properties, secondary financing, tenant concentration over 25% for military or single employer, properties with large levels of commercial income or corporate leases and borrowers with troubled credit history.
THE NEXT STEP:	Call for our current rates and spreads. We provide a quick response and free estimates.