



November 8th, 2017

Multifamily Financing for Acquisitions with Below Market Rents

- Low DCR Qualified at Start Rate
- Additional Advance (Earn Out) upon Market Rent Stabilization
- Special Program for Low Cap Rates with Below Market Rents
- 12 to 18 months to achieve market rents

	Recourse	Non Recourse
3 Year Fixed-3 Year Interest Only	3.826%	3.926%
5 Year Fixed-3 Year Interest Only	3.959%	4.059%
7 Year Fixed-3 Year Interest Only	3.964%	4.064%
Loan Fee	0.50 Pts	0.50 Pts
DCR (Current Rents)	1.15-1.20 @ Start Rate	1.20 @ Start Rate
DCR (Market Rents)	1.20 @ Start Rate	1.25 @ Start Rate
Loan to Value (1.15 DCR)	70%	70%
Loan to Value (1.20 DCR)	70%	70%

Rates & Terms are subject to change with market conditions

For details, please contact:

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Example: (Rents 15% to 20% below market)

\$5,000,000 Purchase Transaction

3.50% Cap Rate (Current Rents)

4.67% Cap Rate (Market rents)

Initial Funding based on current rents with Low DCR and loan amount of \$2,750,000 (55%) with down payment of \$2,250,000 (45%)

Market Rents provides additional advance to \$3,500,000 (70%) with additional advance of \$850,000. (\$2.65M + \$850k = \$3.5M)

Down payment \$2,250,000 less \$750,000 additional advance = \$1,500,000 Equity leverage position (70%). Effective down payment = 30%.

Benefit: Interest Rate locked at initial funding and full leverage utilized.