

Mezzanine Loan Program

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| Description | Mezzanine financing is available for the acquisition or refinance of multifamily properties with a conventional fixed rate DUS loan of between \$3 million and \$25 million |
| Loan to Value Maximum | The maximum combined LTV of the conventional DUS loan and the mezzanine loan is 80% |
| Minimum DSCR | The minimum combined DSCR of the conventional DUS loan and the mezzanine loan is 1.10x |
| Amortization | Up to 30 years; Interest-only options are available subject to certain restrictions |
| Accrual Basis | 30/360 and Actual/360 |
| Loan Term | Mezzanine loans may have a term of up to 10 years consisting of a 5-year term followed by an automatic extension for an additional 2 years, followed by up to three additional 1-year extensions subject to the property producing a 1.00x DSCR; However, the mezzanine loan must be coterminous with the underlying DUS loan; The underlying DUS loan may be for any standard term |
| Interest Rates | The mezzanine loan has a fixed rate for the first 5 years and then converts to a variable rate based on a predetermined fixed spread to 3-month LIBOR; The spread remains constant for the automatic 2-year extension as well as for any subsequent 1-year extensions; The underlying conventional DUS loan must be fixed-rate |
| Rate Lock | Extended Rate Lock feature is available for the conventional DUS loan, allowing the borrower to lock a rate 45 to 365 days in advance of closing; The mezzanine loan can be committed and rate locked up to 4 months in advance of closing |
| Origination Fee | 1% origination fee |
| Pre-Payment Provisions | The mezzanine loan may not be prepaid during the first year; After the 1-year lockout, there is a declining prepayment premium schedule beginning at 2% in year 2, 1.5% in year 3, 1% in year 4 and 0.5% in year 5; No prepayment premium is charged during the final 90 days of the fixed-rate period or during the variable-rate extension periods; The conventional DUS loan may use any applicable prepayment option |
| Recourse | Lender will have recourse to Borrower if the mezzanine or mortgage borrower declares bankruptcy; The conventional DUS loan will also be recourse to the mortgage borrower and any Key Principal if the mortgage borrower declares bankruptcy |
| Escrows | Replacement reserve, tax and insurance escrows are required |
| Third Party Reports | Standard third-party reports – Appraisal, Phase I Environmental Assessment, and Physical Needs Assessment – are required |



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Greystone Servicing Corporation, Inc.
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| Application Fee | \$15,000 to cover third party reports and processing/underwriting costs |
| Legal Fees | \$20,000 - \$25,000 |