

## Mezzanine Loan Program

<b>Description</b>	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.
<b>Loan Amount</b>	The mezzanine loan amount must be a minimum of \$187,500 and a maximum of 10% of the underwritten value of the property. The underlying DUS loan must be greater than \$3 million and less than \$25 million.
<b>Maximum LTV</b>	The maximum combined LTV of the conventional DUS loan and the mezzanine loan is 85%.
<b>Minimum DSCR</b>	The minimum combined DSCR of the conventional DUS loan and the mezzanine loan is 1.10x.
<b>Amortization</b>	Up to 30 years. Interest-only options are available subject to certain restrictions.
<b>Accrual Basis</b>	30/360 and Actual/360
<b>Loan Term</b>	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.
<b>Interest Rates</b>	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.
<b>Rate Lock</b>	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.
<b>Origination Fee</b>	1% origination fee
<b>Payment Provisions</b>	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.

***Continued on Reverse***

## Mezzanine Loan Program

**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.