

223(f) Multifamily “Acquisition/Refinance”

PROGRAM SHEET

The following description is a summary of a core lending program offered by Lone Star Commercial Mortgage. We encourage you to contact us today for specific information and for a more thorough explanation of LSCL lending services.

- **ACQUISITION: Lesser of 85% Loan-to-Value or 85% Loan-to-Acquisition costs A Seller Promissory note of 7.50% Loan-to-Value allowed.HUD approval required**
- **REFINANCE: Up to 85% Loan-to-Value, 80% with cash-out.**
- **Up to 35 -Year Term and Amortization, (no balloon).**
- **Property must be stableized for 90 days at 90% OCC rate.NEW**
- **No maximum loan amount.**
- **Low, fixed interest rate, based on market spreads over the 10 Year Treasury yield.**
- **Non-recourse, with no carve-outs.**
- **Flexible and negotiable pre-payment terms. NEVER defeasance or yield maintenance, after 3 years of loan inception.**
- **This is a conventional mortgage, FHA does not limit rents, tenant income, or return on equity.**
- **1.17 Minimum Debt Service Coverage.**
- **The loan is always assumable.**
- **Third-party expenses and loan costs are financeable.**
- **Moderate Rehab is allowed.**
- **Available Nationally.**

223(f) Multifamily Acquisition/Refinance TIME LINE.

STAGE I: FIRM SUBMISSION

- Lender processing Fee: \$5,000
- Phase I Environmental Report (est.) \$2,500
- Appraisal (est.) \$5-9,000
- Property Condition Assessment (PCA) Report (est.) \$4,000
- Exam Fee to HUD is 3/10 of 1% (30bps).

Provided all borrowers requested information is received in a timely manner, LSCL estimates 60 days to prepare the Firm Submission for submittal to HUD and a 60 day review period for HUD. Total Time frame is 120 days. At successful conclusion of processing, a Firm Commitment will be issued.

STAGE II: CLOSING

- Good Faith Deposit (locks the rate and is paid at commitment) 1/2 of 1% of mortgage (50 bps). Credited to fees at closing.

HUD requires a minimum of 15 days to review closing documents. Typical closing times are within 30 days of rate-lock. This may be expedited with waivers from HUD, efficient reviews, etc.

The above time line indicates 5 months for a closing with HUD. This time frame may be shortened to the extent that third parties (appraisers, engineer) can expedite their engagements.

POINTS TO CONSIDER:

- 35 year amortization lowers debt service and provides larger cash flow plus it can eliminate refinancing issues in later years.
- This program is EXCELLENT FOR REHA. PROJECTS as it provides the purchase funds and the rehab costs simultaneously.
- The elimination of defeasance or yield maintenance allows for a planned exit strategy and ease of transfer of ownership.
- The 1.17 DCR is the lowest in the Industry, thus allowing larger loan amounts.
- 85% Loan -to-Value OR Costs, lower of, is lowest in the industry.
- Secondary financing allowed up to 7.5% of acquisition costs.
- Due to the high loan to cost/value loan, less equity is required.

223(f) Financing Preliminary Review Information.

Please provide;

1. Project description including unit mix with square footages, amenities, land acreage and building gross Square Footage.
2. Location map.
3. Current Rent Roll with summary of any concessions for the past year to date.
4. Year-to-date Operating Statements, and if available, last three years of Income and Expense Statements.
5. Summary of existing debt, with explanation of any lock-outs or prepayment penalties, or copy of Purchase Agreement.
6. List and cost estimates for any repairs and replacements.
7. Any available Market Studies, Appraisals, Environmental and/or Engineering Reports. **DO “NOT” ORDER ANY REPORTS.**

We are available for discussions with clients regarding this and our other financing sources. We represent numerous sources of capital including banks, conduits, life insurance companies, credit unions, REIT’s, pension fund advisors, and both private and institutional equity sources. Whether construction or permanent loans to structured finance, we provide customized commercial real estate financing. Bring our years of experience to the forefront for you.