

CMBS Mezzanine Fixed Rate Loan Program



Description

Non-recourse, assumable subordinate financing for the acquisition or refinance of stabilized multifamily, retail, office, hotel, industrial, and self-storage properties are financed with CMBS Mezzanine mortgage loans.

Amount

\$500,000-\$5,000,000

Term

5 and 10 year terms available. Term must be the same as the first mortgage

Loan to Value Maximum

75-85% of appraised value or purchase price depending on asset type

Coverage Minimum

1.05x

Amortization

Interest-only or consistent with the senior mortgage loan

Mezzanine Borrower

Domestic single asset borrowing entity is required

Collateral

Pledge of the equity of the first mortgage borrower, secured by UCC filing. Eagle 9 title policy is required

Interest Rate

12-15% coupon varying with LTV, DSCR, market and sponsor

Prepayment Terms

Defeasance with a lockout period of 24 months from securitization. Cannot be prepaid before A Note

Third Party Reports

MAI Appraisal, Property Condition Report and Environmental Phase I Assessment are required; Seismic Reports are required for properties in Seismic Zones 3 and 4. Mezzanine loan will rely on senior mortgage loan Third Party Reports.

Reserves

Generally limited to reserves stated in the senior loan agreement, unless specifically stated otherwise

Application Deposit

\$20,000

Origination Fee

1%

Cash Management

Standard mezzanine cash management

Timing

45 – 60 days from application to funding; dependent on third party report timing and borrower's submission of due diligence. Mezzanine closing simultaneous with mortgage

Assumability

Loan is assumable, subject to lender approval of proposed replacement borrower; Fees include 1% assumption fee and Lender's reasonable out-of-pocket expenses