

Bridge Loan Program

This program is specifically designed for properties that are either stabilized or are in need of minor to moderate renovation or other value-add strategy.

For value-add situations, our bridge loan program can be used to fund moderate rehabilitation where the Borrower requires short-term debt to refinance renovations to complete a value add strategy and secure permanent financing through a FHA or Fannie Mae execution.

Eligible Properties	Multifamily, Mobile Home Park and Seniors Housing
Loan Amounts	\$3,000,000 - \$30,000,000 (larger or smaller upon request)
Deal Structure	Variable Rate First Mortgage
Term	Up to 3 years
Amortization	Interest-only (some amortization may be required after first two years of term)
Pricing	Spread over 30-day LIBOR (typical spread ranges from 400 to 500 basis points)
Application Fees / Deposit	\$5,000 per property non-refundable processing fee (fee depends on loan size and complexity) plus \$15,000 to \$20,000 per property escrow deposit to cover the cost of the appraisal, structural/engineering, and environmental reports, travel and due diligence
Interest Rate	30-day LIBOR
Prepayment / Exit Fees	The loan will be open to prepayment subject to the payment of an exit fee; The exit fee shall be waived if Commercial Real Estate Lender, Inc. provides permanent financing
Borrower Recourse	Typically non-recourse with standard carve-outs for environmental, bankruptcy, fraud and misapplication of funds, etc.; Partial recourse and/or operating deficit and completion guaranty may be required for properties undergoing more significant renovation
Maximum LTV	Up to 80.00%
Minimum Debt Service Coverage	The loan amount is sized such that the DCR will provide a minimum coverage of 1.25x at the actual interest rate; If coverage is anticipated to be less than 1.25x at the actual interest rate, Lender will establish an interest reserve; The loan amount is also sized based on sufficient evidence that rents can be increased to provide sufficient cash flow to support a DCR at a stressed constant of 1.25x on multifamily properties (including MHP's), 1.35x for independent living and 1.45x for assisted living
Equity Retirements	Typically not less than 20.0% cash equity
Escrows	Taxes, Insurance and Replacement Reserves
Third Party Reports	MAI Appraisal (expanded or separate market study may be required for properties with a value-add component); Environment Phase I and Engineering/Structural Report prepared by approved professionals