

Apartment Building CAP Rate Program Matrix



Leverage Grid		
FICO	Loan Amount	Loan Origination Fee
700+	\$100,000-\$,999,999	4.0%
700+	\$1,000,000-\$4,999,999	3%
Non-recourse	\$5,000,000-\$14,999,999	2%
Non-recourse	\$15,000,000-\$24,999,999	1%
Non-recourse	\$25,000,000-\$34,999,999	0.75%
Non-recourse	\$35,000,000-\$45,000,000	0.50%

General Guidelines		
Loan Terms	Borrower	Property
<p>Loan Purpose: Business Purpose/Investment</p> <p>Lien Type: First Lien Mortgage</p> <p>Interest Rate/Term: Fixed Rate: 360 months (30 year)</p> <p>Loan Size: Minimum \$100,000; Maximum \$45,000,000</p> <p>Prepayment Penalty: If payoff requested within 5 years 5%-4%-3%-2%-1% (respective penalty by year assessed on UPB) Refinance Type: For Rate/Term Refinance, the maximum cash back to the Borrower is the lesser of 2% of the loan amount or \$2,000</p> <p>Loan-to-Value (LTV): For Refinances, LTV is calculated as Loan Amount divided by the Appraised Value. For Purchases, LTV is calculated as Loan Amount divided by the lower of the Sales Price or Appraised Value</p>	<p>Borrower/Guarantor: U.S. Citizens, Permanent Resident Aliens, Foreign Nationals, Inter-Vivos Revocable Trusts, Legal Entities domiciled in the U.S. (LLC's, LP's, General Partnerships, Corporations)</p> <p>Primary Guarantor: Owns at least 11% of borrowing entity (or highest % ownership) and identified for credit qualifying purposes All Borrowers/Guarantors must have valid SSN or ITIN</p> <p>Recourse: For \$100,000 to \$ 4,999,999: Full recourse guarantee by individual(s) which in aggregate own at least 51% of the borrowing entity</p> <p>Asset Verification: Assets sourced for 60 days</p> <ul style="list-style-type: none"> * 2 months most recent bank or investment statements or VOD (stocks, bonds, mutual funds or retirement accounts – 75% value) * Cash value of a life insurance policy * Net proceeds from sale of residence or other personal assets * Trust Account Funds * Business Funds if 100% ownership by Borrowers/Guarantors <p>Credit Score: Median FICO of 700 or greater</p> <p>Credit History: At least 3 bureaus dated within 90 days of loan closing</p> <ul style="list-style-type: none"> * Minimum of 3 tradelines open for at least 24 months * At least 2 tradelines with activity in past 12 months * No foreclosure sales, short sales, deeds in lieu, or bankruptcy discharges or dismissals within most recent 36 months (major derogatory events less than 7 years subject to GLF approval) <p>Landlord Experience: Borrower or Guarantor must have owned and managed at least 3 investment real estate properties within the most recent 12 months OR engage a professional management company</p> <p>Cash Reserves: 2 months of Principal and Interest on all loans under 5 M</p>	<p>Location: Ohio</p> <p>Occupancy: Non-Owner Occupied /Investment</p> <p>Title Insurance: Fee simple lender's title policy (within 60 days of loan closing) in an amount greater than or equal to the original principal loan amount; 24-month chain of title</p> <p>Hazard Insurance: Coverage must be in the amount of the lesser of (i) the full insurable value of improvements as established by the property insurer and (ii) the unpaid principal balance of the mortgage (as long as it is 80% of the insurable value of improvements)</p> <p>Escrows/Impounds: Required on all transactions (no waivers) Additional Funds Required to Close: 2 months PITIA, 12 months insurance for purchases (or insurance prepaids based on premium due dates for refinances), back due taxes, as applicable</p> <p>Eligible Property Types:</p> <ul style="list-style-type: none"> * Apartment Buildings <p>Ineligible Property Types:</p> <ul style="list-style-type: none"> * Single Family Residences including PUD's * 2-4 Family Residences * Condominiums (Warrantable and Non-Warrantable) * Manufactures/Mobile Homes, Condotel, Timeshares, Coops * Unique Properties * Raw land, working farms or ranches <p>Appraisal: Current valuation of the property within 180 -days of closing must be submitted from a licensed, bonded and insured appraisal.</p>

Rental Income	
Capitalization Rate	Occupancy/Lease
<p>Cap Rate is calculated by dividing a property's net operating income by the current market value.</p> <p>Gross Income: Lower of Lease Rent or Market Rent (Lease Rent can be used if higher with 3 months proof of receipt.) A complete rent roll must be submitted. Minimum CAP requirement = 6%</p>	<p>Properties must be stabilized (not vacant) with an active or pending lease in place; Lease term must be minimum 12-month duration</p> <ul style="list-style-type: none"> * For 5 units, the property must be 100% occupied/leased * For 6-15 units, the property must be 75% occupied/leased * For 16+ units, occupancy percentage subject to GLF approval