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Market (Proforma) Rent Apartment Loans

Type of Financing	Bank Earn Out Loan Programs		Portfolio Bank Conventional	Portfolio Bank Bridge Loan	Private Investor Bridge Loan
	Earn Out Loan #1	Earn Out Loan #2			
Loan Amounts	\$2M +	\$2M +	\$1M to \$10M	\$3M +	\$2M to \$50M
Loan to Value	75%	75% to 80%	75%	75%	Asset Based Lending 60% to 80% LTV Up to 85% LTC Rates from 7% to 9% 2 to 3 Yr Term Interest Only Payments Non Recourse Sub-1.00 DCR 1 to 2 week closing Apartments Commercial Industrial Self Storage Assisted Living
Prepay Type	3,2,1,0	4,3,3,2,2,1,0	Step Down	2,0	
Recourse	Optional	Optional	Optional	Optional	
Amortization	30/15	30/30	30/30	2 Years Interest Only	
2 Year Fixed Rate	N/A	N/A	N/A	4.25% to 4.75%	
5 Year Fixed Rate	3.850%	N/A	3.750%	N/A	
7 Year Fixed Rate	N/A	4.200%	4.200%	N/A	
10 Year Fixed Rate	N/A	N/A	4.400%	N/A	
DCR (Actual Rents)	1.20 DCR @4.30%	1.15 DCR @ Start Rate	1.15 / 1.20	Sub-1.00 DCR	
DCR (Market Rents)	1.20 DCR @4.30%	1.20 DCR @ Start Rate	N/A	1.20 DCR @5.00%	
Payment	1st 3 Yrs Interest Only	Fully Amortized	Interest Only Option	2 Years Interest Only	
Earn Out Term	12 Months	24 Months / or 12 & 12	N/A	24 Months	

Bridge Loans are structured as interim financing typically for 1 to 2 years until the property is stabilized and ready to refinance after rehab & stabilization to market rents. Bridge Loans typically will provide all of the possible leverage upfront including Interest Only payments to help the buyer while increasing rents to market with turnover costs, etc. Bridge Loans do not lock in the rates beyond the two year term. The economic efficiency of the bridge loan is for added value-rehab opportunities with rents substantially below market.

Earn-Out Loans, also know as Stabilization-Advance are typically longer term loans that allow you to lock in the interest rate upfront even when the stabilization process may take 1 to 2 years. Typically, the buyer will have 9 to 10 months to achieve market rents and two additional months to stabilize, then the Earn-Out (Loan Advance) is funded or advanced. Typically, the buyer will need more down payment to close the transaction and upon stabilization, get the advance loan proceeds. The benefit is the ability to rate lock now with long term financing.

***Earn-Out Loan #2 allows the buyer to pick a longer term fixed rate (7 to 10 years), obtain higher loan proceeds (lower DCR) and plan for a one or two phase Earn Out fundings over 12 to 24 months. Benefit is to rate lock now a long term fixed rates with built in leverage options over two years. The initial loan is qualified at a 1.15 DCR at the Start Rate to also provide better initial leverage.

Bridge Loan Option Example

\$10,000,000 Purchase Price / 60 Units

Challenge #1: Rents 50% below market

Challenge #2: Buyer wants maximum leverage

Solution: Full Leverage Short Term Bridge Loan

Current Rents: \$583,000 (17.15 GRM / 3.75% Cap Rate)

Market Rents: \$875,000 (11.43 GRM / 5.50% Cap Rate)

Bridge Loan Option :

\$7,500,000 Loan Amount (75%)

\$2,500,000 Down Payment (25%)

2 Year Interest Only loan from 4.25% to 4.75%

No prepay after 12 months

Comments:

Loan is locked for two years and then must be paid off or refinanced.

Earn Out Options Example

\$10,000,000 Purchase Price / 60 Units

Challenge #1: Rents 50% below market

Challenge #2: Buyer wants to lock rates for 5 to 10 years

Challenge #3: Buyer wants maximum leverage

Solution: Earn Out to Stabilization loan with Market Rents

Current Rents: \$583,000 (17.15 GRM / 3.75% Cap Rate)

Market Rents: \$875,000 (11.43 GRM / 5.50% Cap Rate)

Earn Out #1: Down Payment: \$4,700,000 (43%) with Initial Funding of \$5,300,000 (53%) and Earn Out to \$7,500,000 (75%)

Stabilization Window: 12 months to achieve stabilized market rents

Earn Out #2: Down Payment: \$4,500,000 (45%) with Initial Funding of \$5,550,000 (55%) with 1 to 2 Phase Earn Out Options up to 24 months:

Earn Out Phase 1: \$7,500,000 (75%)

Stabilization Window: 12 to 24 months

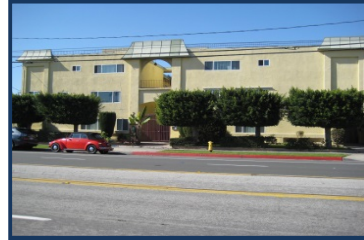
Type of Financing	Conventional Financing				
	Portfolio Bank	Portfolio Bank	Portfolio Bank Max Loan Dollars	Agency Full Term Interest Only	Private Money Bridge Loan
Loan Amounts	\$500,000 to \$749,999	\$750,000 to \$999,999	\$1M to \$10M	\$1M to \$5M	\$2M to \$50M
Loan to Value	75%	75%	80%	50% to 60%	60% to 80%
Prepay Type	Declining Step Down	Declining Step Down	Declining Step Down	Declining Step Down	2,0
Recourse	Optional	Optional	Optional	Non Recourse	Optional
Amortization	30/30	30/30	30/30	30/20	Interest Only
Adjustable Rate	4.200%	4.100%	N/A	N/A	7.50% to 8.50% 1 to 2 week close No Appraisal
3 Year Fixed Rate	4.220%	4.120%	3.750%	N/A	
5 Year Fixed Rate	4.470%	4.370%	4.000%	4.100%	
7 Year Fixed Rate	4.690%	4.590%	4.200%	4.690%	
10 Year Fixed Rate	5.240%	5.140%	4.400%	4.900%	
Debt Coverage Ratio (DCR)	1.15	1.15	1.15	1.35	

Rates & terms are subject to change with market conditions

Closed Transactions



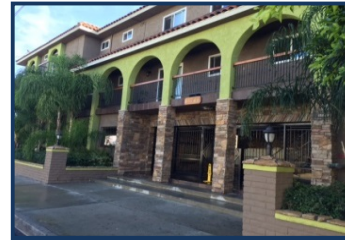
Acquired 2013
Refinance 2015
35 Units Torrance
\$5,250,000 (1st TD Loan)
Cash Out Refinance



Acquired 2013
Refinance 2015
33 Units Torrance
\$6,950,000 (1st TD Loan)
Cash Out Refinance



Acquired 2013
Refinance 2015
21 Units Torrance
\$3,850,000 (1st TD Loan)
Cash Out Refinance



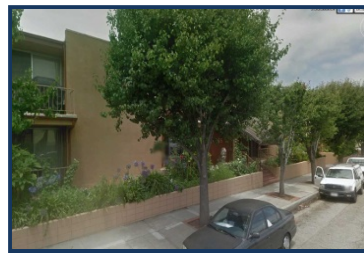
Acquired 2014
Refinance 2015
83 Units Hawthorne
\$7,250,000 (1st TD Loan)
25% Equity Position



Long Beach
Purchase-Earn Out Loan
59 Units
\$5,150,000 (Price)
\$3,862,500 (1st Loan)



Acquisition / Refinance
108 Units Wilmington
\$9,000,000 (1st TD Loan)
Cash Out Refinance



Purchase
33 Units Torrance
\$7,615,000 (Price)
\$4,750,000 (1st TD Loan)
Earn Out Loan



Refinance
40 Units Gardena
\$3,450,000 (1st TD Loan)
Cash Out Refinance



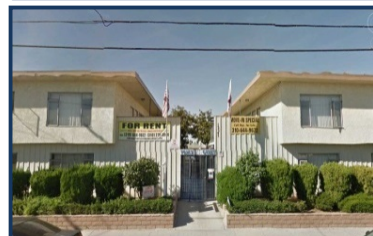
Refinance
Cash Out Refinance
34 Units Torrance
\$4,900,000 (1st TD Loan)



Refinance
80 Units Hawthorne
\$6,284,000 (1st TD Loan)
Cash Out Refinance



Purchase
40 Units Gardena
\$5,100,000 (Price)
\$3,570,000 (1st TD Loan)



Purchase-Refinance
32 Units Hawthorne
\$3,800,000 (Price)
\$2,420,000 (1st TD Loan)



Purchase-Refinance
33 Units Lawndale
\$2,600,000 (1st TD Loan)
Refinance



Purchase
16 Units Hawthorne
\$2,325,000 (Price)
\$1,550,000 (1st TD Loan)



Purchase
187 Units Hawthorne
\$18.76M (1st TD Loan)
72% LTV-2 Yr. Bride Loan
3.50% / 5.50% Cap Rate