

Description

Non-recourse, supplemental financing available on existing, fixed or floating, stabilized DUS Conventional properties, Multifamily Affordable Housing Properties, Seniors Housing Properties, Student Housing Properties, and Manufactured Housing Communities loans serviced by Greystone as a property's value and income stream increase. Bond Credit Enhancement transactions are eligible with prior approval of Fannie Mae. Fannie Mae must be the only debt holder on the property.

Loan Amount

Minimum \$1 million

Loan Term

Supplemental loans can be coterminous or non-coterminous; 5-30 years

Loan Timing

Supplemental Loans are available 12 months after the closing of the senior Fannie Mae Mortgage Loan

Amortization

Up to 30 years

Loan to Value Maximum

As high as 75%, depending upon asset class and use of proceeds.

Coverage Minimum

As low as 1.30x, depending upon asset class and use of proceeds.

Interest Rate

Fixed and variable rates

Prepayment Terms

Loans may be voluntarily prepaid upon payment of yield maintenance for fixed-rate loans and graduated prepayment for variable-rate loans

Rate Lock

30- to 180-day commitments. Borrower may lock the rate with Streamlined Rate Lock option

Maturity

Supplemental Loans can be either coterminous with the underlying senior loan, or non-coterminous.

Accrual

Actual/360

Recourse

Non-recourse execution with standard carve-outs required for “bad acts” such as fraud and bankruptcy

Third Party Reports

Standard third-party reports, include MAI Appraisal, Phase I Environmental Assessment, Property Condition Physical Needs Assessment, may not be required, if certain conditions are met; Seismic Report update may be required for properties in Seismic Zones 3 and 4

Escrows

Replacement reserve, tax and insurance escrows are typically required, based on the resulting Tier of the combined Pre-Existing Mortgage Loan and Supplemental Mortgage Loan

Application Fee

Approximately \$15,000; covers 3rd party reports and underwriting costs

Origination Fee

Competitive

Legal Fees

\$8,000 to \$12,000; varies based on the characteristics of the deal

Timing

45-60 days from application to commitment; dependent on 3rd party report timing and borrower's submission of due diligence

Rate Lock

Typically, rate lock occurs after the commitment is issued; Streamlined Rate Lock option is available

Assumption

Loans are typically assumable, subject to review and approval of the new borrower's financial capacity and experience