

DUS Lender Affiliate

Description

A DUS Lender Affiliate (“DLA”) Mezzanine Loan is a subordinate loan funded simultaneously with a newly originated Greystone Fannie Mae DUS loan (“Senior Mortgage”). The loan is secured by a 100% pledge of the equity interests in the Borrower. Non-recourse, subordinate financing of multifamily properties.

Loan Amount

\$1,000,000 minimum. Senior Mortgage minimum of \$10,000,000.

Term

Up to 10-year terms available. Coterminous with the Senior Mortgage

Combined Loan to Value Maximum

85% of appraised value

Combined Coverage Minimum

1.10x based on a 30-year amortization on both the Senior Loan and Mezzanine Loan

Amortization

Interest-only

Mezzanine Borrower

Newly formed SPE, bankruptcy remote Delaware Single-member LLC, owned and controlled by the Sponsor

Collateral

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

Interest Rate

13-15% fixed rate coupon varying with LTV, DSCR, market and sponsor. Senior Mortgage must have a fixed interest rate.

Prepayment Terms

Lockout period of 12 months. Can be prepaid before A Note.

Supplemental Financing

Allowed on the Senior Mortgage; proceeds shall be utilized to pay off the Mezzanine Loan.

DUS Lender Affiliate

Third Party Reports

Mezzanine loan will rely on Senior Mortgage Loan third-party reports. As-Stabilized Appraisal Value required.

Reserves

Generally limited to reserves stated in the Senior Mortgage Loan Agreement, unless specifically stated otherwise

Application Deposit

\$15,000+

Origination Fee

1%-2%

Exit Fee

1%-2%, waived upon Greystone refinance.

Recourse

Nonrecourse

Timing

Mezzanine closing simultaneous with Senior Mortgage.

Assumability

Loan is assumable, subject to lender(s) approval of proposed replacement borrower.