



Multifamily Bridge Program

MAXIMUM ARLTVs

FICO	PURCH/RT REFI	CASHOUT
≥ 740	< \$3MM: 70% > \$3MM: 70%	< \$3MM: 65% > \$3MM: 65%
720 - 739	< \$3MM: 70% > \$3MM: 70%	< \$3MM: 60% > \$3MM: 60%
700 - 719	< \$3MM: 70% > \$3MM: 70%	< \$3MM: 55% > \$3MM: 55%
680 - 699	< \$3MM: 70% > \$3MM: 65%	not permitted

U.S. Non-Permanent Residents/Foreign Nationals with Acceptable US Credit History: 55%

MAXIMUM LTCs

- Subject to LTV limits:
 - Purchase: 75% of (lower of Purchase Price & As-Is Value) + 100% of Reno
 - Rate/Term: 65% of As-Is Value + 100% of Reno
 - Cashout: Subject to % above + 100% of Reno: not to exceed 75% of PP and 100% of renovation
 - Max Total LTC of 80% (Total LTC = Purchase Price + Capex + Completed Capex) *subject to change based on market

PREPAYMENT PENALTIES

- For all loans:
- < 12 month initial term: 3 months of minimum interest
 - 12 month initial term: 9 months of minimum interest
 - 18 month initial term: 12 months of minimum interest
 - 24 month initial term: 18 months of minimum interest

BORROWER/GUARANTOR REQUIREMENTS

CREDIT & BACKGROUND

- New borrower: Tri-Merge Credit Report no older than 90 days
 - Existing borrower with 0x30x12 payment history: Tri-Merge Credit Report no older than 120 days
- 680 minimum qualifying FICO determined as:
- Mid score if 3 scores are available
 - Low score if 2 scores are available
 - For multiple guarantors, lowest score calculated as above is used
 - Bankruptcy discharge date must be no less than 3 years prior to closing date
 - Foreclosure/deed-in-lieu/short sale date must be no less than 3 years prior to closing date

LIQUIDITY

- 15% of loan amount
- Two most recent consecutive months of bank statements or investment account statements required
- Liquid reserves must be seasoned for a minimum of 3 months for purchase transactions
- The cumulative amount including all guarantors is considered for loans with multiple guarantors
- IRAs/401ks and other restricted assets are considered with a 50% haircut to market value
- 50% of cashout amount may be used to satisfy reserve requirement

- No first time borrowers, need prior multifamily property ownership experience
- Self managed properties may be allowed for loans ≤ \$5MM, at lender discretion
- Third party property manager required for loans > \$5MM
- Full Recourse with warm body guaranty from all members with ≥ 20% ownership OR Non Recourse with pledge of equity of borrowing entity and customary bad-boy carveouts
- LLCs and US corporations only

LOAN STRUCTURE

- Initial Term: 12 months to 24 months
- Extension: 3 months or 6 months, with a total term not longer than 36 months
 - Extension fee of 0.50% per extension
- Amortization: Interest only
- Renovation Budget: < 50% of PP OR < 50% of As-is value for Rate/Term Refi
- Recourse:
 1. All loans < \$2MM are Full Recourse to warm body guarantor
 2. All loans ≥ \$2MM are Non Recourse with standard bad-boy carveouts, Completion guaranty & interest reserve replenishment guaranty as applicable
- Renovation Budget: Required to hold back 100% of budget and any applicable deferred maintenance
- Fixed rate available for loans < \$2MM. Loans ≥ \$2MM float based on SOFR

RESERVES/ESCROWS

- Interest/Operating Reserves: at closing, reserves are held back to fund deficits in operating expenses and debt service payments (if any), estimated based on in-place and underwritten proforma cashflows for the first 12 months
- Construction/Renovation Reserve: 100% of the renovation budget (including contingencies), 100% of any identified deferred maintenance in third party reports and 100% of any other project funds (such as tenant buyout expenses) are reserved at closing and released via subsequent draws

LOAN GENERAL

- Min/Max loan amount: \$500,000/\$5,000,000
- Min loan amount per unit: \$35,000
- Portfolios allowed with cross collateralization, release provisions at lender's discretion subject to minimum of 120% of allocated loan amount per property
- 5+ unit residential
- Mixed Use Property only if residential units > 50% of total SF AND commercial income is not > 35% of gross potential income
- No vacation or seasonal rentals
- Properties without existing debt financed within 180 days of purchase are considered delayed purchase loans, and eligible for all terms applicable to purchase loans

DEBT SERVICE COVERAGE RATIO (DSCR)

- NCF DSCR Calculation: In-Place OR Stabilized Net Cash Flow (NCF) divided by mortgage payment, after accounting for all property operating revenues, expenses and capital expenditure reserves, as reasonably determined by lender
- Min underwritten Stabilized NCF DSCR of 1.25x based on prevailing agency rates is required to qualify (check with your underwriter for current rates)
- Cashout: Min in-place DSCR of 1.00x based on actual rate

STATE RESTRICTIONS

- All US, except MN, ND, OR, SD, UT & VT

THIRD PARTY REPORTS

- One full independent narrative commercial appraisal required from approved list of appraisers
- USPAP/FIRREA compliant interior/exterior appraisals with As-is and As-Stabilized value
- Appraisals dated within 120 days of closing date are required. Appraisals dated between 120 and 180 days may be acceptable at lender discretion with a recertification of value
- Environmental Database Survey or HRDR for loans < \$3MM
- Phase I Environmental Report are required for all loans ≥ \$3MM
- Property Condition Report (PCR) & Construction Budget Review are required for all loans ≥ \$3MM, and at underwriter's discretion for loans < \$3MM depending on project specifics. PCRs are required for vacant or damaged buildings
- All third party reports need to be addressed and assigned to lender per guidelines