

2626 Cole Avenue | Financing Guidance



Given the falling interest rate environment, most lenders are instituting interest rate & index floors as they manage investment alternatives – spreads have generally become secondary to floor rates.

	Bank	Specialty Finance Debt Funds	CMBS	Life Company General Account
Term	3-5 Years	3-5 Years	5-10 Years	5-10 Years
Loan Type	Floating Rate or Swap to Fixed	Floating Rate	Fixed Rate	Fixed Rate
LTV	60% - 65%	70% - 75%	60% - 70%	55% - 60%
Index	30-Day LIBOR	30-Day LIBOR	10-Year SWAP	7-Year Treasury
Spread	225 bps - 275 bps	275 bps – 300 bps	175 bps – 225 bps	160 bps – 185 bps
Interest Rate	2.32% - 3.00%	3.75% - 4.25%	3.25% - 3.75%	2.80% - 3.25%
Prepayment	Open or Swap Breakage	12-18 Months Min. Interest	> Of Defeasance or 1%	> Of Yield Maintenance or 1%
Fees	75-100 bps Orig.	100 bps Orig.	\$25,000 Orig.	Up to 15 bps Orig.
Floor	0-25 bps Index Floor	0-25 bps Index Floor	Set @ Swap at Term Sheet Execution	0-325 bps Interest Rate Floor
Interest Only	2-3 Years I/O	3-5 Years I/O	1-3 Yrs. @ 70% Half-Term @ 65% Full-Term @ 60%	3-5 Years I/O
Min Debt Yield	8.50% - 9.00%	N/A	7.50% - 8.50%	9.00% - 9.25%
Good News	Available	Available	Not Available	Not Available

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