



LOW-MOD SBA 504 1st MORTGAGES

with Morgan Stanley

Direct fund 100% of an SBA 504 loan first mortgage at **below market rates** in specific low- to moderate-income areas.

ELIGIBILITY

- To determine NMTC eligibility, type project address into <http://www.reznickgroup.com/NMTC-mapping-tool>
- Address MUST qualify as both in a Qualified NMTC Area and a Distressed Area
- To view list of preferred cities where there is a local LISC office please click here: <http://cdccapitalmarkets.com/low-mod-504-1st-mortgages/eligible-cities/>
- To view list of eligible rural counties please click here: <http://cdccapitalmarkets.com/low-mod-504-1st-mortgages/eligible-counties/>
- Multi purpose properties only
- Collateral Coverage – max 60% loan to value on first mortgage
- Personal Credit – minimum FICO of 680
- Cash flow coverage – generally consistent with CDC global cash flow
- DSCR Requirement of at least 1.0:1 for last fiscal year and interim period

PROGRAM PARAMETERS

- First Mortgage loan amounts from \$250,000 to \$2,500,000
- Premium of 3 points to selling bank (no mark-up allowed)
- Morgan Stanley to direct fund all loans
- Eligible Passive Concern (EPC) must be created for all transactions. The EPC must be a separate entity with a minimum of two owners whose activity is solely the ownership of the real estate in which the Operating Company (OC)
- Prepayment penalty: 7-year lock out with no prepayment allowed
- Loan Fee of .5% for SBA participation fee only

RATE & TERMS

- 30-year loan: interest-only for 3 years followed by 27 year amortization
- Fixed at 5 year libor swap + 275 basis points fixed for 7 years
- After 7 years adjusted to 90 day Libor Swap + 350 basis points with quarterly resets

Click here for current LIBOR swap rates:
<http://www.federalreserve.gov/releases/h15/update/>

FOR MORE INFORMATION CONTACT:

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