



## **Traditional SBA 504 1st Mortgages in partnership with Morgan Stanley**

- SBA 504 1<sup>st</sup> Mortgages only – available nationwide in all 50 states
- SBA 504 1<sup>st</sup> Mortgages up to \$6 million on 1<sup>st</sup> mortgage (Larger loans ok by exception)
- Direct table fund or loan purchase (100% loan sale)
- New SBA 504 transactions and Refinance existing SBA 504 1st mortgages
- **Rates fixed for 1 year, 3 years, 5 years, 10 years or 25 years – all with 25 year amortization**
- Max premium = first year Prepay (no cap on dollar amount – earn up to 10 points)
- Multi-purpose only: office, warehouse, industrial, retail, manufacture, medical, dental, etc.
- No Special Purpose: car dealer, care facility, gas, hospitality, restaurant, storage, schools
- Real estate only with maximum 60% LTV on 1<sup>st</sup> mortgage
- DSCR min of 1.2 for last fiscal year and interim
- No personal or corporate bankruptcies within last 7 years
- Minimum personal FICO 680
- Allowance of 20% principal reduction per year
- 365/360 Accrual basis required
- Volume Bonus >\$5 million = bonus of 50 bps or 0.125% lower par rate
- Volume Bonus >\$10 million = bonus of 100 bps or 0.25% lower par rate
- If LTV is under 40% on first mortgage: Reduce Par rate by 25 bps
- Judicial foreclosure states: FLA, Indiana, Louisiana, Maine, New Jersey, Ohio, Oklahoma  
DRCR of 1.4 OR Need to add 25 bps to par rate and min PPP of 5% flat for 5 years

### **PAR RATES = INDEX + SPREAD: Earn 1 point premium for each additional 25 bps**

Variable Rate:	WSJ Prime Index Rate + 0 bps
Variable Rate:	90 Day Libor Swap Index Rate + 250 bps
1 Year Fixed Rate:	1 Year Libor Swap Index Rate + 250 bps
3 Year Fixed Rate:	3 Year Libor Swap Index Rate + 250 bps
5 Year Fixed Rate:	5 Year Libor Swap Index Rate + 250 bps
10 Year Fixed Rate:	10 Year Libor Swap Index Rate + 250 bps
25 Year Fixed Rate:	10 Year Libor Swap Index Rate + 290 bps

<b><u>Prepay Penalty – Additional Premium</u></b>	<b><u>Adjustable</u></b>	<b><u>3 &amp; 5 Year</u></b>	<b><u>10 &amp; 25 year</u></b>
Declining 5/4/3/2/1	1 point	Minimum	NA
Flat 5% for 5 years	1.5 points	0.5 points	Minimum
Declining 7/6/5/4/3/2/1	1.75 points	0.75 points	0.25 points
Flat 5% for 5 years, then 5/4/3/2/1	2 points	1 point	0.5 points
10/9/8/7/6/5/4/3/2/1	2.5 points	1.5 points	1 point
Flat 10% for 10 years	3.5 points	2.5 points	1.5 points