

Advantages

- “One-Stop Shop” if looking for FHA or Agency permanent debt but need short-term bridge financing
- Fast Closing to facilitate purchase or maturing existing debt
- No exit fee if financing originated via Greystone’s permanent debt options

Loan Purpose

This program is specifically designed for properties that are either stabilized or are in need of minor to moderate renovation or other value-add strategy.

Our bridge loan program can be used to finance stabilized properties while Greystone underwrites the permanent financing or fund moderate rehabilitation where the Borrower is required to complete a value add strategy before securing permanent financing through an FHA, Fannie Mae, and Freddie Mac execution.

Eligible Borrowers

Experienced Agency Eligible Sponsor with strong financial capability and good performance and credit history.

Eligible Properties

Multifamily and manufactured housing communities.

Loan Amount

\$10,000,000 - \$100,000,000 (larger upon request)

Term

Typically up to 3 years (including extensions)

Amortization

Interest-only (some amortization may be required after first two years of term)

Interest Rate / Rate Index

Interest generally at a floating rate, at a competitive market rate spread over 1-Month CME Term SOFR.

Interest Management

Borrower shall purchase an interest rate cap for the duration of the initial loan term at strike rate to be determined during due diligence. Counterparty must be rated A2 / A.

Loan Commitment Fees

1.0%

Application Fees / Deposits

Per property non-refundable processing fee (fee depends on loan size and complexity) plus per property escrow deposit to cover legal expenses, third party reports, travel, and due diligence required upon executing the term sheet.

Prepayment / Exit Fees

Generally, the loan will be open to prepayment after six months subject to the payment of an exit fee. The exit fee shall be partially or fully waived if Greystone provides permanent financing.

Escrows

Taxes, Insurance and Replacement Reserves.

Maximum LTV

Up to 80% of current value and 70% of stabilized value.

Equity Requirements

Typically not less than 10.0%-15.0% cash equity. Net of any borrower acquisition fees.

Minimum Debt Service Coverage and Debt Yield Requirements

The loan will be tested for a minimum as is and as stable debt yield. These figures are updated based on market changes, but generally at this time, we are requiring a minimum 7.00% as is debt yield and 8.50% stable debt yield. Debt yields are determined on a deal by deal basis and driven by specific deal characteristics.

The loan amount is sized based on sufficient evidence that cash flows can be increased to provide sufficient cash flow to support a DCR at a minimum stressed constant of 1.25x. An interest reserve may be required.

Third Party Reports

Third party reports compliant with the expected take out financing, whether it be HUD or Agency are required.

Borrower Recourse

Typically non-recourse with standard carve-outs for environmental, bankruptcy, fraud and misapplication of funds, etc.; Partial recourse and/or operating deficit and completion guaranty may be required for properties undergoing more significant renovation.