

Preferred Equity Program

GREYSTONE

Common Market Terms

	Freddie Mac Preferred Equity ⁽¹⁾		Fannie Mae Preferred Equity ⁽¹⁾		Preferred Equity Behind Bridge Loans	
Investment Amount	\$2-10M	>\$10M	\$2-10M	>\$10M	\$4-10M	>\$10M
Markets:	National		National		National	
Target LTV ⁽²⁾ :	75-80%+		75-80%+		75-80%+	
Total Rate:	11-14%	10-14%	12-15%	11-14%	13-15%	10-14%
Current Pay Type:	Hard Pay, Hybrid		Soft Pay		Soft Pay	
Current Pay Rate:	5-8%+		6-9%+		6-9%	
Minimum DSCR ⁽³⁾ :	1.05x		1.01x		Varies	
Term:	Coterminous with senior loan; 3-10 years		Coterminous with senior loan; 3-10 years		Coterminous with senior loan; 1-5 years	
PE Amortization:	Interest Only		Interest Only		Interest Only	
Minimum Multiple:	1.20-1.50x		1.20-1.50x		1.20-1.50x	
Origination Fee ⁽⁴⁾ :	Up to 2%		Up to 2%		Up to 2%	
Recourse:	Non-recourse subject to market-standard carve-outs		Non-recourse subject to market-standard carve-outs		Non-recourse subject to market-standard carve-outs	
Investor Rights and Remedies:	Buy Out/Forced Sale of Ownership Interests Change of Control, and Change of Property Manager		Buy-Sell Transfer due to material default. Example: failure to pay distribution though excess cash flow is available		Buy-Sell Transfer due to material default.	

⁽¹⁾ Preferred equity behind Freddie Mac loans will have a mandatory hard current pay and accrual feature. Preferred equity behind Fannie Mae will have a soft current pay and accrual feature.

⁽²⁾ Freddie Mac senior mortgage plus preferred equity must not exceed 90% LTV.

⁽³⁾ Freddie Mac's underwritten NOI divided by the sum of the amortizing senior mortgage plus the preferred equity current rate must be at least 1.05x DSCR. If Fannie Mae reviews the preferred equity as truly soft preferred equity, then there is no sizing constraint. Greystone Equity will still size at a minimum DSCR of 1.01x due to investor risk rights and remedies for Fannie Mae.

⁽⁴⁾ Greystone Equity Services will also charge up to 1% of the preferred equity amount.

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