
FNMA Large Apartment Loan Term Sheet

KENDALL REALTY ADVISORS

FNMA Apartment Refinance or Purchase

ELIGIBLE PROPERTIES: Market Rate Apartments Class A, B, C, or Mixed use or affordable housing properties. Loans greater than \$3,000,000 – Use FNMA Small Loan for less than \$3,000,000

Refinance and Purchase: New construction or older properties

Minimum Occupancy: 90% at the time of commitment for preceding three-month period

LOAN TYPE: Balloon mortgages with a 5, 7, 10, 15 or 30 year fully amortizing structures

PREFERRED LOAN SIZE: \$3 million and up - Under \$3 Million go to Small Loans

MAXIMUM LOAN: Amount equal to the lesser of:

1. 80% of appraised value; or 75% Cash Out
2. 1.25 debt service coverage.

INTEREST RATES: Market rates at the time of rate lock. Rates vary by loan-to-value ratio, debt service coverage and property quality. Spreads over ten year treasury ranges currently average 2.25% to 2.75%

AMORTIZATION: Up to 30 years.

PERSONAL RECOURSE: None, except for standard exceptions

ASSUMABILITY: Assumable, subject to approval and a 1% transfer fee.

PREPAYMENT: Yield maintenance or defeasance options

SUBORDINATE FINANCING: Fannie Mae Supplemental Loans (second mortgages) available 12 months after loan closing

ESCROWS: 125% to 150% of estimated cost of required repairs, if any, as determined by physical inspection. Monthly escrows for real estate taxes, property insurance and replacement reserves

APPLICATION FEE: Typically \$15,000 for appraisal, environmental assessment and other loan processing costs.

FINANCING FEE: Typically 1%

CLOSING EXPENSES: Standard transaction costs, including legal fees, title insurance and survey

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PRELIMINARY SUBMISSION PACKAGE:

- 1) Property description and location map.**
- 2) Representative interior and exterior photographs.**
- 3) Current rent roll and year-to-date operating statement.**
- 4) Operating history - prior 3 years, if available.**
- 5) Pro-Forma 12 month operating budget**
- 6) Owner resume and financial statement**
- 7) Existing debt, purchase price, date purchased if applicable**
- 8) If purchase, purchase agreement and time remaining on contract**
- 9) Vacancy and Concessions, bad debt other rent loss for last 12 months**
- 10) Area and Neighborhood description**

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