

HOTELS / MOTELS LOAN PROGRAM

BASIC CRITERIA*

Borrower

- Good credit history
- Management and/or ownership experience helpful

Property Description

- Purchase and for the rehabilitation of existing properties
- Minimum acceptable annual occupancy rate – 80%

Property History

- Must have been in operation for a minimum of one year

Loan Amount

- From \$2,000,000. Mezzanine financing available, on a case-to case basis

Loan Term

- 5, to 20 years, up to 30 years amortization, fixed rate,

Closing Period

- 30 to 45 days

Interest Rates

200 to 500 basis points over the corresponding Treasury Bills' Index. Rate locks are available. Also available is a variable interest rate floating at a spread over the one-month LIBOR.

•

Debt Service Coverage Ratio

- 1.35 or higher

Loan to Value Ratio

- Up to 75%

Use of Funds

- An explanation as to how the loan will be used.

Reserves

- Tax and insurance reserves are required. Also, a capital reserve escrow will be established and funded.

Collateral

- First lien position

Property Locality

- United States and some foreign countries

Basic Documents

- Description of property.
 - Copy of franchise agreement, if applicable

- Color photographs – interior & exterior (property and neighborhood).
- Copy of building layout and site plan
- Map – indicate the location of property
- Occupancy history - past three years
- Parking Information – no. of spaces and no. of handicapped spaces
- Résumés of principals and key employees
- Financial Information
 - Copies of mortgage agreement(s)
 - Corporate financials – past three years and YTD
 - Signed and dated financial statement of all principals
 - Operating statement for the past three years
 - Three-year pro forma on a monthly basis
- Miscellaneous Information
 - Corporate federal income tax returns – past three years
 - Personal federal income tax returns of 20% or more owners – past three years, if applicable
 - MAI appraisal

***Basic criteria subject to change without notice.**