



FANTINI & GORGA

Skillfully Linking Borrowers and Lenders

Out of the Ordinary

Featured Product: Freddie Mac Small Balance Loan Program

Overview:	Fantini & Gorga serves as a correspondent for a national lender that is the leading provider of loans under this low, cost, aggressively priced, non-recourse multifamily loan program.
Loan Amount:	\$1,000,000 to \$6,000,000, up to \$7,500,000 in larger markets like metro Boston.
Terms:	5, 7, or 10 - year fixed rate; terms up to 20 years with rate adjustments subject to lifetime rate cap.
Amortization:	Typically 30 years; 1-2 years interest-only available on most transactions, longer interest-only periods (up to full term) at lower loan-to-value ratios.
Property Profile:	Apartments 5-75 units; may include some commercial subject to limitations.
Underwriting	80% loan-to-value (LTV) ratio; debt coverage ratio (DCR) depends on the market: 1.20 in top markets moving up to 1.40 in very small markets.
Interest Rates:	Competitive fixed rates for each loan term; call for latest pricing. (Unlike many banks, this program uses straightforward rates, not LIBOR swaps.)
Rate Lock:	At application, confirmed within 35 business days provided the Lender is able to submit its underwriting package to Freddie Mac within that timeframe.
Prepayment:	Either Yield Maintenance (YM) or a % of the loan balance declining annually.
Lender fees/costs:	No lender fee. \$7,500-\$10,000 application fee covers standard 3 rd party reports and lender legal. Freddie Mac processing fee of 0.10% of the loan amount.
Recourse:	Non-recourse with standard carveouts.
Observation:	This lender competes aggressively with banks, in both urban/suburban and small-town markets, by offering 80% LTV non-recourse loans with modest transaction costs.