
Featured Lender: Sentinel Investments

Overview:

Fantini & Gorga acts as correspondent throughout New England for a major national insurance company that delivers best-in-class rates, flexibility with prepayment penalties, and forward rate locks.

Loan Amount:

\$10,000,000 to \$50,000,000.

Terms:

5 – 30 years, prefer 12+ year terms.

Amortization:

Up to 30 years. Will do 10 year full term interest-only for conservatively underwritten loans.

Property Profile:

“A” quality assets, especially: retail (grocery anchored and in-fill with high traffic counts), apartments (class “A” and student housing), office and industrial (especially bulk single tenant), and single tenant credit leases (selectively).

Underwriting Criteria:

Up to 75% LTV. Underwrite all deals to 1.50 DCR on the actual loan rate assuming 25 year amortization (regardless if the amortization offered). This DCR is usually decisive in underwriting loan amount, so effective LTV may be 65% or less. Like a diversified income stream on the rent roll.

Interest Rates:

Best-in-class pricing, especially on low leverage deals with strong borrowers. Rates based on a spread over average life Treasury on a 30/360 basis.

Rate Lock:

At application. Good for 90 days.

Prepayment:

Yield Maintenance is typical. Can offer more flexible structures, such as declining balance penalties (particularly at the back end of a loan term) and Yield Maintenance using “Treasury + 50 bps”.

Forwards:

Forwards available up to 6 months for higher pricing.

Lender Fees/ Costs:

\$6,000 processing/ inspection fee, nonrefundable. 1% application deposit, refunded at closing. Legal fees typically in \$15,000-\$20,000 range.

Recourse:

Non-recourse with standard carve-outs including an ongoing covenant for the carve-out guarantor for net worth and liquidity.

Servicing:

Fantini & Gorga services the loan.

Observation:

In the current post-election rate volatility, this lender offers the lowest available fixed rates, set at application, for immediate funding or up to six months forward.