

Financing Structure	Explanation	Requirements	Required Credit *	Sources	Availability	Pricing	Financing Level	Term (Yrs.)	Amortization	Comments
Insurance Company Loan	Fixed rate medium to long term; held in portfolio of originator.	High quality general purpose real estate assets and strong credit.	A, B, C, D	Insurance companies and some pension funds.	Good	Treasuries + 125-180 bps. (3.45% - 4.15%)	Best credits up to 75% LTV	5-25 years	Up to 30 years	Unlike many bank loans, recourse is typically not required.
CMBS	Groups of loans syndicated to the public markets.	General and special purpose assets located nationwide.	A, B, C, D	Investment banks and specialty lenders.	Excellent	Swaps + 190-220 bps depending on LTV (4.15% - 4.45%)	Up to 75% + LTV	5-15 years	25 to 30 years; interest only available	CMBS lenders may offer some interest only period.
Bank Loan	Fixed rate, medium term loan.	General purpose real estate assets.	A, B, C, D	Community, regional and national banks.	Excellent	Swaps + 150-230 bps. (3.75% - 4.60%)	Up to 75% LTV	5-15 years	Up to 30 years; some interest only may be available	Recourse may be required but banks have become more flexible about this.
CTL	Credit tenant lease loan. Financing based on stream of credit lease payments.	Loan term must match firm term of lease.	A	Insurance companies, banks and investment funds.	Good	Average life Treasury + 150-250 bps. (3.80% - 4.50%)	Up to 100% LTV	10-25 years	10-25 years	Loan advances are driven by debt service coverage. Minimum of 1.01x DSC for NNN leases.
Construction with Permanent Loan	Construction loan, converting to an amortizing term loan upon completion.	Required equity will vary depending on tenant credit and lease term.	A, B, C, D	Banks, insurance and specialty lenders.	Good	Construction period: LIBOR +150-300 bps. Permanent loan: swaps + 150-230 bps. (3.75% - 4.60%)	Up to 85% of cost and 80% of stabilized value	5-15 years	Up to 30 years	Single source financing ideal for build-to-suits. Early rate lock options available. Best tenant credits allow funding up to 95% of cost.
Mezzanine/ B-Notes	Secondary financing behind first mortgage.	Clear exit strategy at loan maturity. Solid real estate fundamentals.	A, B, C	Specialty lenders and insurance companies.	Adequate	8% to 12%	Up to 90% LTV	5-10 years	10-30 years; interest only available selectively	Debt service coverage for 1st and 2nd mortgage at a minimum of 1.05x.
Equity/JV	Partnering with an investor to minimize equity requirement.	Quality general purpose assets that can generate attractive returns for investor partner.	A, B, C, D	Insurance companies, REITS and investment funds.	Good	Return requirements vary.	Not applicable	5-10 years	Not applicable	Hold period will depend on partners investment objectives.
Government Lease Loans	Loans for projects net leased to governmental entities.	Long term lease to municipal, states or US government entity.	A	Insurance companies, banks and specialty lenders.	Good	Swaps + 145-225 bps. (3.45% - 4.50%)	Up to 80% LTV	10-20 years	Up to 30 years interest only may be available	Loan terms and structures are dependent on specific lease terms and fiscal funding clauses.
	A- Investment Grade Credit (Rated debt with minimum Moody's Baa3 or S&P BBB- or unrated equiv.) B- Strong Credit (Moody's Ba, S&P BB, or equivalent, or large cap with solid trends)					C- Middle Market Companies (Companies deserving of unsecured bank credit) D- Higher Leveraged Companies (With solid operating history and trends)				

In recent years, the sources of real estate debt and equity have expanded and changed significantly. As a consequence, it is difficult even for real estate finance professionals to fully understand the focus of the many different capital sources. The intention of the "Sources Matrix" is to list all of the participants in the real estate finance and investment arena. In a sense, it is intended to provide a global view of real estate finance. ALTHOUGH THIS INFORMATION IS PREPARED CAREFULLY, FANTINI & GORGA CANNOT GUARANTEE ITS ACCURACY.