LMD
CAPITAL PARTNERS

MEZZANINE

Fannie Mae Approved Mezzanine Loan Program

A DUS Lender Affiliate mezzanine loan funded simultaneously with a newly originated Fannie Mae DUS senior mortgage, secured by a full pledge of the equity in the senior borrower.

Indicative Terms

LOAN AMOUNT	$1,000,000 minimum, with a senior mortgage of at least $10,000,000.
TERM	Up to 10 years, coterminous with the senior mortgage.
AMORTIZATION	Interest-only.
COMBINED LOAN TO VALUE MAXIMUM	85% of appraised value.
COMBINED COVERAGE MINIMUM	1.10x, calculated on a 30-year amortization of both the senior and mezzanine loans.
MEZZANINE BORROWER	A newly formed special-purpose entity: a bankruptcy-remote Delaware single-member LLC owned and controlled by the sponsor.
COLLATERAL	A pledge of the equity of the senior mortgage borrower, secured by a UCC filing, with an Eagle 9 title policy required.
INTEREST RATE	Generally a fixed coupon of 13% to 15%, varying with leverage, coverage, market and sponsor. The senior mortgage must carry a fixed rate.
PREPAYMENT TERMS	12-month lockout. The mezzanine may be prepaid ahead of the senior mortgage.
SUPPLEMENTAL FINANCING	Permitted on the senior mortgage, with proceeds applied to pay off the mezzanine loan.
THIRD PARTY REPORTS	Relies on the senior mortgage's third-party reports; no separate reports are required.
RESERVES	Generally limited to the reserves set out in the senior mortgage loan agreement, unless otherwise specified.
RECOURSE	Non-recourse with customary non-recourse carve-outs.
ASSUMABILITY	Assumable, subject to the lenders' approval of the proposed replacement borrower in their sole discretion.
APPLICATION FEE	Quoted per transaction.

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Indicative Terms (continued)

ORIGINATION FEE	Quoted per transaction.
LEGAL FEES	Quoted per transaction.
TIMING	The mezzanine closes simultaneously with the senior mortgage.

Eligible Properties & Sponsors

Sponsors placing a newly originated Fannie Mae DUS first mortgage of at least $10,000,000. The mezzanine borrower is a newly formed, bankruptcy-remote Delaware single-member LLC owned and controlled by the sponsor, and the senior mortgage must carry a fixed rate.