LMD
CAPITAL PARTNERS

MEZZANINE

Short-Term Mezzanine Financing Loan Program

Mezzanine leverage layered behind a first-mortgage bridge loan on multifamily and healthcare assets that are stabilized or undergoing minor to moderate renovation.

Indicative Terms

LOAN AMOUNT	$1,000,000 to $15,000,000. Larger amounts are available on request.
LOAN TERM	Up to three years including extensions, aligned to the maturity of the first mortgage.
AMORTIZATION	Generally interest-only, though some amortization may be required after the first two years of the term.
MAXIMUM LTV	Combined 90% of current value or cost, and 80% of stabilized value.
MINIMUM DSCR	1.05x to 1.25x, depending on property type.
EQUITY REQUIREMENTS	Typically not less than 10.0% to 15.0% cash equity.
INTEREST RATE	Fixed or floating, with an indicative coupon of 12% to 15% varying with leverage, coverage, market and sponsor.
COLLATERAL	A pledge of the equity of the first-mortgage borrower, secured by a UCC filing, together with an intercreditor agreement with the first-mortgage lender.
PREPAYMENT AND EXIT	Open after one year, subject to exit fees calculated on the combined loan amounts. Fees are partly or wholly waived where LMD provides the permanent financing.
THIRD PARTY REPORTS	MAI appraisal, Phase I environmental site assessment, and engineering and structural reports, prepared by lender-approved professionals.
BORROWER RECOURSE	Typically non-recourse with standard carve-outs for environmental matters, bankruptcy, fraud and misapplication of funds.
APPLICATION FEE	Quoted per transaction.
ORIGINATION FEE	Quoted per transaction.
LEGAL FEES	Quoted per transaction.

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Eligible Properties & Sponsors

Multifamily and healthcare properties, including skilled nursing and assisted or independent living, that are stabilized or need minor to moderate renovation. The mezzanine is secured by a pledge of the equity in the first-mortgage borrower and requires an intercreditor agreement with the senior lender.