

## BRIDGE LOAN PROGRAM SUMMARY

### Student Housing

#### LOAN TYPE

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LOAN TYPE	Bridge Loan
LOAN PURPOSE	<ul style="list-style-type: none"> <li>• Purchase</li> <li>• Rate and Term Refinance</li> <li>• Cash Out Refinance</li> </ul>
BUSINESS PURPOSE	Business purpose loans (not for personal, household or family purposes).

#### ELIGIBLE PROPERTIES

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ELIGIBLE PROPERTIES	Student Housing
PROPERTY LIMITATIONS	<ul style="list-style-type: none"> <li>• All units must be permitted and in legal compliance</li> <li>• Sufficient parking which is part of the collateral for tenants, employees and visitors</li> <li>• Property and equipment in good condition and working order with no major deferred maintenance, or will be through the loan (including, HVAC, roof, generators, electrical, plumbing [water, gas, other], elevators, etc.)</li> <li>• Safety, fire and security systems are or will be up to code</li> <li>• Properties with affordability restrictions (e.g. low to moderate income) are subject to Wilshire's approval</li> </ul>
PROPERTY CONDITION	<ul style="list-style-type: none"> <li>• Properties which are Class A or B as determined by Wilshire.</li> <li>• Class C and D properties allowed only with Wilshire approval.</li> </ul>
CONSTRUCTION LIMITATIONS	Capital improvements on existing properties only. No land, development, heavy or ground-up construction.
ELIGIBLE COLLATERAL	Fee simple or leased fee

## ELIGIBLE PROPERTIES (CONTINUED)

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### INELIGIBLE COLLATERAL

- Ground leases
- Tenant in common interests (TIC)
- Cooperatives (Co-Op's)
- Rehab properties where construction is prohibited
- Rehab Budget is greater than 20% to 25% of the loan amount
- Land Development
- Ground-up construction
- Farms, ranches
- Rural property
- Properties subject to purchase options
- Properties subject to restrictive covenants
- Properties which are not in compliance with local zoning regulations unless evidence of legal non-conforming use (grandfathered use) or variance is in place
- Properties with known adverse environmental conditions

### GEOGRAPHIC LOCATION; MARKET SIZE

Nationwide (primary and secondary markets)

## ELIGIBLE BORROWERS

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### ELIGIBLE BORROWERS

- Special Purpose Entities (preferred)
- Legal entities domiciled in the United States, including LLCs, LPs, inter-vivos revocable trusts and corporations permitted
- One or more natural persons who are not Foreign Nationals permitted if approved by Wilshire
- Non-profits permitted if approved by Wilshire
- Foreign National guarantors are allowed
- All trusts are allowed as a member of the Borrowing Entity
- No religious or Tenant in Common (TIC) entities or trusts (other than inter-vivos revocable trusts)

### SPONSOR / GUARANTOR

- Experienced Owners and Operators with in-market experience with comparable facilities; including, location and size.
- Sponsors/Guarantors
  - Good credit (FICO at or above 650)
  - Liquidity equal to 3% of loan requested or 3 months payments
  - Financial capacity to fulfill guarantor obligations
  - Prior or current bankruptcies, foreclosures, deeds in lieu, forbearance agreements, loan defaults, repossessions, lawsuits, judgments, liens, levies and similar issues only permitted by exception with Wilshire approval

## GENERAL LOAN TERMS

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LOAN AMOUNT	\$1,000,000 To \$10,000,000 Higher case by case
RATE	Fixed or Variable
ORIGINATION FEE	1.5% to 3% (including broker fee)
AMORTIZATION	Interest only with balloon at maturity
TERM	Up to 5 years
LOAN-TO-COST (LTC)	70%
LOAN-TO-VALUE "Stabilized" (SLTV)	65%
LIEN POSITION	<ul style="list-style-type: none"> <li>• First Lien</li> <li>• Second Lien</li> <li>• Participating Loan</li> </ul>
PLEDGE OF EQUITY	Case by Case
AT RISK CAPITAL	<ul style="list-style-type: none"> <li>• Purchase: Minimum 10% Equity</li> <li>• Rate and Term Refinance: Minimum 10% Equity</li> <li>• Cash Out (Stabilized Only): Max 65% LTV and minimum 15% of total cash equity remaining in the Property At Risk <ul style="list-style-type: none"> <li>• Seasoning and value add are exceptions for remaining cash equity limitation</li> </ul> </li> </ul>
POST-CLOSING LIQUIDITY	3 months of debt service payments plus, if applicable, 20% of the aggregate amount of the Capital Improvement, Deferred Maintenance, Operating, Tenant Improvement and Leasing Commissions and Other Reserves to cover overruns and shortfalls.
SYNDICATED EQUITY	<ul style="list-style-type: none"> <li>• Purchase: Minimum 10% of Total Equity required from Sponsor</li> <li>• Cash Out/Recapitalization: Stabilized Only - Minimum 15% of Total Cash Equity (At Risk) Post-Closing</li> </ul>
SUBORDINATE FINANCING	Third party subordinate financing permitted subject to Wilshire approval
SELLER FINANCING	Not permitted unless approved by Wilshire (includes, seller financing, concessions, capital contributions, joint ventures, price reductions, credits, rebates and other structures)
WHOLESALE FEES; BACK TO BACK ESCROWS	Not permitted unless approved by Wilshire
RECOURSE / GUARANTY	Case by Case
PREPAYMENT PENALTY	Case by Case

## GENERAL LOAN TERMS CONTINUED

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### MINIMUM INITIAL DOCUMENTATION

- Executive Summary/Offering Memorandum
- Executive Team Bios and Experience
- Borrower Organizational Structure/Chart
- Executive Team and Sponsor Cash Equity
- Evidence of Capital for Transaction/Reserves
- Current Rent Roll
- Historical P&L and Balance Sheet (2 years, T12 & YTD)
- Pro Forma P&L and Balance Sheet
- Budget and Schedule of Completion
- Prior Appraisals and 3rd Party Reports (if available)

### CONTACT US

**Wilshire Finance Partners**

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