

PROPRIETARY LENDING

# Preferred Equity Partnership

NewPoint Real Estate Capital has partnered with Harbor Group International to facilitate preferred equity investments through a structured referral program.

BENEFITS	<ul style="list-style-type: none"><li>• Allows for increased leverage at competitive market rates.</li><li>• Speed in processing and underwriting with seamless delivery to borrower.</li></ul>
ELIGIBILITY	<ul style="list-style-type: none"><li>• Primarily conventional and affordable housing, and selectively student housing, manufactured housing and seniors housing nationwide.</li><li>• Acquisition financing with a fixed or floating rate senior loan and a maximum term of 10 years per Fannie Mae and Freddie Mac guidelines.</li><li>• Borrower may be a limited partnership, corporation or limited liability company.</li></ul>
TERM	Generally coterminous with the senior mortgage, subject to a maximum of 10 years.
MINIMUM INVESTMENT AMOUNT	\$2 million.
PREFERRED INTEREST RATE	Competitive fixed rate.
AMORTIZATION	Typically interest only, subject to underwriting and credit approval.
MAXIMUM LTV	<ul style="list-style-type: none"><li>• Up to 90% when combined with Freddie Mac senior mortgage.</li><li>• Up to 85% when combined with Fannie Mae senior mortgage.</li></ul>
MINIMUM DSCR	<ul style="list-style-type: none"><li>• 1.05x based on an amortizing senior mortgage and the preferred equity rate for Freddie Mac loans.</li><li>• 1.10x based on an amortizing senior mortgage and the preferred equity rate for Fannie Mae loans.</li></ul>
FEES	Standard origination, application and exit fees apply.
PREPAYMENT PROVISIONS	Yield maintenance.
TAX AND INSURANCE ESCROW	Generally required.
REPLACEMENT RESERVE DEPOSIT	Generally required.
RECOURSE REQUIREMENTS	Non-recourse except for standard carve-out provisions.
SUPPLEMENTAL LOAN AVAILABILITY	Supplemental financing allowed so long as proceeds are used to pay down the preferred equity investment first.

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