The CRITTENDEN REPORT® Real Estate Financing

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TOP SINGLE-FAMILY LENDERS/EQUITY INVESTORS

(2015 PROJECTED ORIGINATION/INVESTMENT VOLUME AND PREFERENCES)

LENDERS/INVESTORS	VOLUME	DETAILS
Bank of the West	$500M	Funded $425M in 2014; construction of 20 to 50 homes, larger projects with phased development; Western U.S.
Sabal Financial Group	$500M	Detached or attached (townhome, condo) projects with up to 100 homes; up to three-year terms; infill, suburban markets
Lone Oak Fund	$300M	Funded $458M throughout 840 loans in 2014; investment single-family rentals, including rental homes, fix-and-flips, high-end development; CA
Mountain Real Estate Capital	$300M	Equity only; invested $200M+ in 2014; land banking,

UNANCHORED RETAIL LENDING GAINS STEAM

Lenders will warm to unanchored retail financing, as leasing activity and occupancies improve. Conduits loosen underwriting by providing higher 75% leverage and lower sub-8% debt yield. Debt yield will be 9% to 9.5% for assets in non-primary markets without strong performing tenants. Borrowers will see 4% to 4.5% rates for fully leveraged deals. Five-year loans will be priced at 3.5% to 4%, seven-year deals will be 4% to 4.75% and 10-year money will be 4.25% to 5%. Rates for 15- and 20-year deals will be 4.75%-plus. DSC will be 1.25x to 1.35x, while deals with shorter amortization will see 1.15x DSC. Banks and LCs will require 100% recourse for loans leveraged north of 70%; while deals below 60% leverage will have non-recourse options. Sub-$3M loans will need recourse.

CMBS lenders such as **UBS**, **Deutsche Bank**, **Citi**, **CCRE**, **Silverpeak**, **Natixis** and **Rialto Capital Management** will be active on unanchored retail. Watch for conduits to ease on interest-only provisions, offering up to five years. Amortization will be up to 40 years. Expect CMBS lenders to consider the riskiest deals, while life companies will be more conservative.

Banks such as **Wells Fargo**, **EverBank** and **Investors Bank** will want as least 50% recourse with burn-down provisions. DSC will start at 1.25x to 1.30x. Expect banks to fund 65% leverage based on

BANKS, LENDERS & EQUITY PROVIDERS

(Supplemental to the Directory)

Bofl Federal Bank: 220 Newport Center Drive, Suite 11-268, Newport Beach, CA 92660. David Boyles, Business Development Regional Manager - Income Property Lending, (949) 244-8614. dboyles@bofifederalbank.com

Buchanan Street Partners: 888 San Clemente Drive, Suite 200, Newport Beach, CA 92660. Chris Herthel, SVP, (949) 219-1205. cherthel@buchananstreet.com

Colony Capital: 2450 Broadway, Sixth Floor, Santa Monica, CA 90404. Brian Lee, SVP, (310) 552-7160. blee@colonyinc.com

Dominion Corp.: 11355 W. Olympic Blvd., Suite 210, Los Angeles, CA 90064. Keith Olson, SVP, (310) 477-3041, Ext.133. keitho@dominfin.com

Hunt Mortgage Group: 230 Park Ave., 19th Floor, New York, NY 10169. Robert Wrzosek, President, (212) 521-6370. robert.wrzosek@huntcompanies.com

Intervest Bancshares Corporation: 1 Rockefeller Plaza, Fourth Floor, New York, NY 10020. Lowell Dansker, Chairman/CEO, (212) 218-2800. ldansker@inbny.com

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Pacific Private Money: 1604 Grant Ave., Novato, CA 94945. Kevin Green, Director of Business Development, (415) 883-2150. kevin@pacificprivatemoney.com

Sabal Financial Group: 4675 MacArthur Court, 15th Floor, Newport Beach, CA 92660. Pat Jackson, Founder/CEO, (949) 255-2661; Darren Fancher, Director of Production - Home Builder Finance, (949) 517-0820. pat.jackson@sabalfin.com; darren.fancher@sabalfin.com

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LENDERS BATTLE TO FUND SMALL HOTEL LOANS

Borrowers will see an increase of hotel loans under $10M this year, especially as the CMBS market adopts more aggressive underwriting standards. Conduits and banks will be the most active, but watch for life companies to become more competitive in their search for yield. Anticipate debt yield numbers to drop under 10% as competition heats. Leverage will reach as high as 75%, while assets in riskier markets will be closer to 60%. Deals of less than $5M will see 4.5% to 5.25% rates, while $5M-plus loans will obtain 4% to 4.25% pricing. Bank and life company non-recourse deals will need strong flags, as lenders want higher [illegible]