



LOW MOD SBA 504 1st Mortgages in partnership w/ Morgan Stanley & LISC

- Designed to champion small businesses in distressed areas
- Available nationwide in new market tax credit areas only
- Eligibility: http://www.novoco.com/new_markets/resources/map2_popup.php
- Must create jobs and provide community economic impact
- Direct table fund required
- Multi purpose only: office, warehouse, industrial, retail, manufacture, medical, dental, etc.
- No Special Purpose: car dealer, care facility, gas, hospitality, restaurant, storage, schools
- Real estate only: Max 60% LTV on 1st mortgage
- DSCR min of 1.0 for last fiscal year and interim
- No personal or corporate bankruptcies within last 7 years
- Minimum personal FICO 680
- 30 year amortization, 3 years interest only
- **7 year fixed rate = 5 year libor swap index + 175**
- After 7 years, rate adjusts to 90 day Libor Swap Index + 350 bps, reset quarterly
- Prepayment penalty of 10% flat for 7 years
- Premium to selling lender = 3 points flat...no mark up on rate allowed
- Origination fee limited to 0.5% SBA participation fee only for this program
- EPC required: separate entity w/at least 2 owners to hold title to subject property only (Low Mod)
- Libor Swap Index Rates: <http://www.federalreserve.gov/releases/h15/update/>

CDC Capital Markets Playbook: Offensive & Defensive Strategies

- Beat competition and keep full client relationship
- Interest rate can be fixed for up to 25 years with 25 year amortization
- Refinance existing 504 1st mortgages
- Do out of market deals nationwide
- Eliminate legal lending limit issues to a single borrower
- Use amazing low rate on Low Mod program for deals in NMTC areas
- Satisfy customer needs while not affect your balance sheet
- Use our 25 year fixed rate to beat 7(a)!
- Unlimited \$ of premium on traditional program (max 10 pts based on 1st year PP)
- Fee Income with Infinite Return on Investment

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