



Structured Financing – Mezzanine/Preferred Equity

Potomac's mezzanine financing and preferred equity products give owners access to greater proceeds than available through conventional financing. Potomac's products can be used in conjunction with new or existing mortgage loan financing.

Loan Amount

Generally \$2,000,000 minimum
No maximum

Loan Term

Generally 1 to 5 years

Amortization

Interest only or fixed principal paydowns

Minimum DSC

1.10

Maximum LTV

90%

Interest Rate

Floating rate over LIBOR index. Spread varies based on risk and terms.

Eligible Property

Nationally located Apartments, Office, Retail, Hospitality, Industrial. No land development or special use projects.

Eligible Borrower

Single asset special purpose entity.

Sponsorship

Good overall credit with sufficient liquidity and demonstrated experience completing similar transactions.

Security

Pledge of partnership secured by UCC or preferred equity position. Additional credit enhancement (recourse, other collateral, letter of credit or other guarantees) to be determined.

Required Reports

Narrative MAI Appraisal, Property Condition Assessment and Phase I Environmental.

Prepayment

Generally permitted.

Lender Fee

Origination and exit fees to be determined.