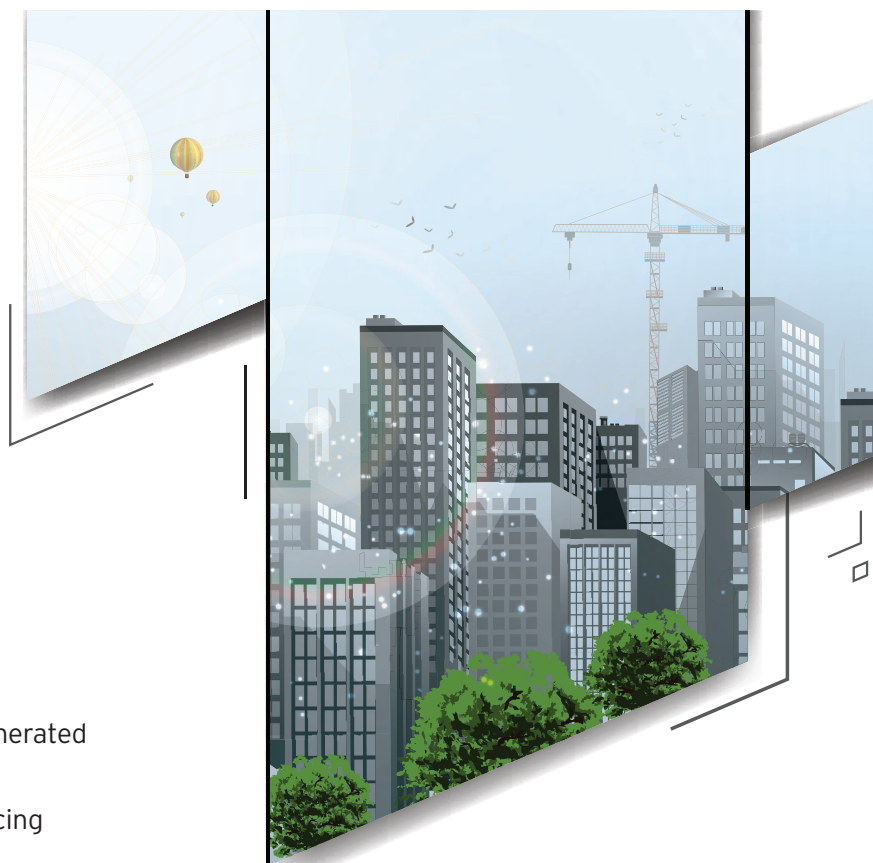


Real Estate Underwriting Guidelines Overview



Generally the loan would be referred to the real estate department if at least 51% of the repayment source is generated from the sale of or leasing of the property.

Types of loans include construction and permanent financing for residential or commercial properties for sale and rent. Commercial includes: flex space, hotel, industrial, retail and special uses.

Loan Size - up to \$12,000,000.

Location - South Eastern PA, Southern NJ, Northern DE, Northern MD and Southern FL.

Satisfactory bank review of sponsor's related experience and credit review of sponsor and guarantors. All loans require personal guarantees.

CONSTRUCTION RENTAL PROPERTIES

Apartments/Rental Homes

- Loan to cost max 70-75% (Total Project costs, i.e. full build out of the project)
- Loan to value max 75%
- Debt coverage ratio min 1.25
- Amortization 15, 20 or 25 years depending on the condition of the property
- Term, typically 5 years
- Repayment, typically 1 year interest only then P&I based on the appropriate amortization for the balance of the term

Commercial Properties

- Loan to cost max 65-75% (Total Project costs, i.e. full build out of the project)
- Loan to value max 70%
- Debt coverage ratio min 1.30
- Amortization 15, 20 or 25 years depending on the condition and use of the property
- Term, typically 5 years
- Repayment, typically 1 year interest only then P&I based on the appropriate amortization for the balance of the term

CONSTRUCTION LOANS

For Sale Housing

- Loan to cost max 80% (Total Project costs, i.e. full build out of the project)
- Loan to value max 75%
- Based on the project there may be presales required and spec limits imposed
- Repayment, if more than one unit is being built, the bank's release prices will be on an accelerated basis so that the loan is repaid in approximately 75-80% of the units
- Term, typically 12-24 months

PERMANENT LOANS FOR INCOME PRODUCING PROPERTIES

Apartments/Rental Homes

- Loan to cost max 80%
- Loan to value max 80%
- Debt coverage ratio min 1.20
- Amortization 15, 20 or 25 years depending on the condition of the property
- Term, typically 5 years

Commercial Properties

- Loan to cost max 75%
- Loan to value max 75%
- Debt coverage ratio min 1.30
- Amortization 15, 20 or 25 years depending on the condition/use of property
- Term, typically 5 years



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