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HUNT MULTIFAMILY PREFERRED EQUITY FINANCING PROGRAM

Hunt Multifamily Preferred Equity Financing Program provides attractive financing for borrowers seeking to increase leverage through the Freddie Mac Conventional Mortgage Loan program.

PROPERTY TYPES

- Conventional multifamily properties with a minimum conventional loan of \$10 million
- Student Housing, Manufactured Housing communities and Affordable Housing communities considered on a case-by-case basis

MARKETS

- Primary and secondary MSAs, within the United States

MAXIMUM LTV

- Up to 90%

MINIMUM DSCR

- The Minimum combined DSCR of the conventional loan (assuming 30-year amortization) and the preferred equity is 1.05x.

LOAN AMOUNT

- Minimum \$1 million
- The Freddie Mac loan must have a minimum initial loan balance of \$10 million

TERM

- Preferred equity may have a term of up to 10 years and must be coterminous with the underlying senior mortgage loan
- A term of greater than 10 years may be considered on a case-by-case basis

PREFERRED RETURN

- The preferred equity has a competitive fixed-preferred return that, when blended with the rate on the underlying Loan, offers attractive all-in pricing
- The underlying conventional loan may be fixed- or floating-rate

FUTURE FUNDING

- The preferred equity may be funded in incremental advances throughout the loan term, subject to certain restrictions

SUPPLEMENTAL FINANCING

- Freddie Mac supplemental loans can be used to pay off the Preferred Equity as well as provide future additional leverage

AMORTIZATION

- Typically interest-only subject to certain restrictions

PREPAYMENT

- Declining annual prepayment premium schedule
- No prepayment premium is charged during the final 90 days

SECURITY AND RECOURSE

- Direct or indirect ownership
- Recourse Carve-Outs to mirror senior loan terms

FEES

- Origination fee
- Exit fee is waived if HREC provides take-out financing

FOR MORE INFORMATION ON HUNT REAL ESTATE CAPITAL, PLEASE CONTACT:

PRECILLA TORRES

212.521.6437

precilla.torres@huntcompanies.com

ALAN WEST

212.588.2016

alan.west@huntcompanies.com