**Example Non-Material Change Memo that requires a new Personal Finance Statement (PFS):**

**Date**: November 18, 2024

**To**: Loan Committee / Credit Risk Department

**From**: Patrick Murphy, VP, Commercial Real Estate Lending

**Subject**: Non-Material Change Notification – Commercial Property at 123 Main Street, Straddling Cambridge and Somerville, Massachusetts

**Background**:

This memo serves to document a non-material change regarding the loan for the commercial property at 123 Main Street, which spans the municipalities of Cambridge and Somerville, Massachusetts. The loan was originally approved on September 15, 2024, and is associated with a planned redevelopment project. Due to complexities in obtaining municipal permits across two jurisdictions, there has been an unexpected delay of six months in project timelines.

Additionally, the borrower has submitted an updated Personal Financial Statement (PFS), reflecting a change in net worth that further supports the borrower’s ongoing financial capacity to meet debt obligations and project costs.

**Property Overview:**

PLEASE EXTRACT THE BELOW FROM THE LP MEMO DOCUMENT UPLOADED

* Address: 123 Main Street
* Municipalities: Cambridge and Somerville, Massachusetts
* Asset Type: Mixed-use (Office and Retail)
* Square Footage: 50,000 total square feet
* Cambridge: 25,000 square feet
* Somerville: 25,000 square feet

**Investment Summary:**

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* Acquisition Date: October 1, 2024
* Total Purchase Price: $25,000,000
* Equity Contribution: $10,000,000 (funded by LP capital commitments)
* Debt Financing: $15,000,000 (secured through Needham Bank)
* Projected Annual NOI (Net Operating Income): $1,500,000
* Target IRR (Internal Rate of Return): 15%
* Hold Period: 7 years

**Description of Change**:

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* **Permitting Delay:** The original project schedule anticipated obtaining necessary permits within a four-month period; however, the dual-municipality requirements in Cambridge and Somerville have extended the process by six months. The borrower is requesting a six-month extension to accommodate the permitting delay without altering other terms of the loan.

**Updated Financial Information**:

PLEASE EXTRACT THIS FROM THE PERSONAL FINANCIAL STATEMEN TS PROVIDED. PLEASE SEE THE SHEET ‘BUDGET SHEET’ FOR NET WORTH.

* Previous Net Worth (as of August 1, 2024): 5,000,000 with assets of 1,000,000.
* Updated Net Worth (as of November 1, 2024): 5,500,000 due to the sale of a personal asset. The net proceeds of 500,000 have increased assets to 1,500,000.

**Conclusion:**

The change is deemed non-material and does not require amendments to the existing agreement. This memo is intended for record-keeping purposes to maintain accurate documentation.

**Acknowledgment:**

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tom Waltz

Loan Committee Chair

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_