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**COMMERCIAL REAL ESTATE (CRE)**

**CREDIT MEMORANDUM**

**BORROWER(S): {{borrower}}**

**PROJECT NAME: {{projectName}}**

**PROPERTY TYPE: {{propertyType}}**

**DATE: {{date}}**

**OFFICER: {{loanOfficer}}**

**ANALYST: {{loanAnalyst}}**

1. **BORROWER LOAN REQUEST:**

**Borrower: Conway North Salem LLC**

**Project Name: Conway North Salem Storage Company**

**Loan Amount Requested: {{loanAmount}}**

1. **SPECIFIC PURPOSE:**

**{{specificLoanPurpose}}**

1. **TERMS:**

**Loan Amortization (months): {{loanAmortization}}**

**Balloon Term: {{balloonTerm}}**

**Interest Rate: {{interestRate}}**

**Proposed Monthly Payment: {{proposedPayment}}**

**Fees:**

**Other:**

1. **LOAN AGREEMENT, STRUCTURE AND CREDIT ENHANCEMENTS:**

**Loan Agreement Terms {{LoanAgreementAdditionalDetails}}**

**Single Asset or Special Purpose Entities {{singleAsset}}**

**Recourse/ Guaranty Considerations {{guarantyConsiderations}}**

**Reserves and Escrows {{reservesEscrows}}**

1. **CRE COLLATERAL DESCRIPTION AND ANALYSIS:**

**Market Analysis**

**Market Analysis. - Insert Pages 18-30 (From Appraisal)**

**Economic and Demographic Trends**

**Supply and Demand Issues**

**Competitive Set**

**Collateral Site and Improvement Analysis**

**Collateral Description – Insert Pages 31-39 (From Appraisal)**

**{{PropertyCollateralDescription}}**

**Property Address: {{streetAddress}}**

**Purchase Price:**

**Appraised Value: {{appraisedValue}}**

**Property Type: {{propertyType}}**

**Property or Site Inspection Photos and Condition Report. – Insert Pages 3-5**

**Insert Photos Maps from Appraisal or File**

**Appraisal Reconciliation of Value Conclusion – Insert Page 89**

**LTV Calculation {{loanAmount}}**

**Reserves Required or Repairs Suggested by Appraiser – {{reservesRequired}}**

1. **SOURCE OF REPAYMENT:**

**Property Cash Flow Analysis**

**Rental Income Information - {{rentalIncomeInformation}}**

**Tenant/ Lease Information - {{tenantLeaseInformation}}**

**Appraiser’s Income Approach**

**Insert Income Approach – Direct Capitalization Conclusion Page 82**

**Will include the following……**

**Gross Rents**

**Occupancy – Vacancy Allowance**

**Expense Reimbursements**

**Effective Gross Income**

**Evaluating Operating Expenses**

**Management Fees**

**Real Estate Taxes**

**Insurance**

**Ground Rent**

**Leasing Costs**

**Replacement Reserves**

**Net Operating Income –** NOI

**Historical Net Operating Income**

**FREE FIELD TO INSERT**

**Final Underwritten Net Operating Income - NOI**

**Final** **Underwriter Comments Free Text Field**

**Standard Property Credit Metrics Automatically calculated**

**Debt Service Coverage Ratio NOI/Proposed Loan Payment x 12**

**Maximum Sustainable Loan Amount. [NOI/DSCR(=PMT)](i)(n)Solve for (PV)**

**Loan to Value Ratio. {{appraisedValue}}**

**Capitalization Rate {{capitalizationRate}}**

**Cap Rate Sensitivity? + or – 100 bp**

**Debt Yield. {{debtYield}}**

**Break Even Rental Rate**

**Break Even Occupancy Rate {{breakEvenOccupancyRate}}**

**Interest Rate Sensitivity**

1. **BORROWER ANALYSIS:**

**Equity Contribution (Sources & Uses): Free Filed**

**Management Information Subject Property: Free Feld**

**Organizational Structure: Free Field Insert Docs**

**Reputation/Credit: {{reputation}}**

**Financial Overview**

**Insert Documents**

**Liquidity {{liquidity}}**

**Secondary Sources of Repayment – Global Cash Flow Calculations and Discussion**

{{secondaryRepayment}}

**Insert Documents**

1. **GUARANTOR FINANCIAL SUMMARY:**

{{guarantyConsiderations}}

**Insert Documents**

1. **Banking Relationships:**

**FREE FIELD TO INSERT**

1. **Loan Policy Exceptions/Mitigation**

**{{loanPolicyExceptions}}**

**FREE FIELD TO INSERT**

1. **Strengths/Weaknesses & Officer Recommendation:**

**{{strengthsWeaknessesOfficerRecommendation}}**

**FREE FIELD TO INSERT**

1. **Additional Business to Solicit:**

**FREE FIELD TO INSERT**