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CRE - Credit memorandum

Created on: {{createdOn}}

Prepared by: {{userName}}

**LOAN REQUEST**

**Borrowers(s):** {{borrower}}

**Project Name:** {{propertyDetails.projectName}}

**Property Type:**  {{propertyDetails.propertyType}}

**Credit Analyst:** {{loanGenericDetails.loanAnalyst}}

**Credit Officer:** {{loanGenericDetails.loanOfficer}}

**Date:** {{loanGenericDetails.date}}

**Loan Amount:** {{loanStructure.loanAmount}}

**SPECIFIC LOAN PURPOSE**

{{loanGenericDetails.specificLoanPurpose}}

**TERMS**

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

**Balloon Term:** {{loanStructure.balloonTerm}}

**Interest Rate:** {{loanStructure.interestRate}}

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

**Fees:** {{loanStructure.fee}}

 

Loan Agreement, Structure and Credit Enhancements

**Loan Agreement Terms:** {{loanStructureAndCreditEnhancements.LoanAgreementAdditionalDetails}}

**Single Asset or Special Purpose Entities:** {{loanStructureAndCreditEnhancements.singleAsset}}

**Recourse/ Guaranty Considerations:** {{loanStructureAndCreditEnhancements.guarantyConsiderations}}

**Reserves and Escrows:**

{{loanStructureAndCreditEnhancements.reservesEscrows}}

 

Market Analysis

**Market Analysis Files:** {{fileUploads.marketAnalysisFiles[0].location}}

**Collateral Site Improvement Files:** {{fileUploads.collateralSiteImprovementFiles[0].location }}

**Appraisal Reconciliation Files :** {{fileUploads.appraisalReconciliationFiles[0].location }}

 

Collateral Site and Improvement Analysis

**SITE DETAILS**

**Property Address:** {{propertyDetails.streetAddress}}

{{propertyDetails.city}},

{{propertyDetails.state}},

{{propertyDetails.zipcode}}

**Purchase Price :** {{propertyDetails.salesPrice}}

**Appraised Value :** {{propertyDetails.appraisedValue}}

**Property Type :** {{propertyDetails.propertyType}}

**LTV Calculation :** {{propertyFinancials.LTVRatio}}

**Reserves Required or Repairs Suggested by Appraiser :** {{propertyFinancials.reservesRequired}}

**COLLATERAL DESCRIPTION**

{{propertyDetails.PropertyCollateralDescription}}

 

Collateral Site and Improvement Analysis - Continuation

**PROPERTY OR SITE INSPECTION PHOTOS AND CONDITION REPORT**

**Property Pics:** {{picLocation}}

**APPRAISAL RECONCILIATION OF VALUE CONCLUSION**

**Appraisal Report :** {{fileUploads.appraisalReport[0].location }}

**Appraisal Reconciliation Files:** {{fileUploads.appraisalReconciliationFiles[0].location }}

**PROPERTY CASH FLOW**

**Rental Income Information:** {{propertyFinancials.rentalIncomeInformation}}

**Tenant/ Lease Information:** {{propertyFinancials.tenantLeaseInformation}}

**APPRAISER'S INCOME APPROACH**

**Net Operating Income :** {{propertyFinancials.NOI}}

**Gross Potential Income :** {{propertyFinancials.GPRINC}}

**Total Operating Expenses:** {{propertyFinancials.TOE}}

**HISTORIC INCOME APPROACH**

**Net Operating Income :** {{propertyFinancials.HNOI}}

**Gross Potential Income :** {{propertyFinancials.HGPRINC}}

**Total Operating Expenses:** {{propertyFinancials.HTOE}}

**UNDER-WRITER INCOME VALUES**

**Net Operating Income** : {{propertyFinancials.underwriterNOI}}

**Gross Potential Income :** {{propertyFinancials.underwriterGPRINC}}

**Total Operating Expenses:** {{propertyFinancials.underwriterTOE}}

**UNDERWRITER COMMENTS**

{{propertyFinancials.justification}}

**STANDARD PROPERTY CREDIT METRICS**

**Debt Service Coverage Ratio** : {{propertyFinancials.DSCR}}

**Maximum Sustainable Loan Amount :** {{propertyFinancials.maxSustainableLoanAmount}}

**Loan to Value Ratio :** {{propertyFinancials.LTVRatio}}

**Capitalization Rate :** {{loanStructure.capitalizationRate}}

**Debt Yield:** {{propertyFinancials.debtYield}}

**Break Even Rental Rate :** {{loanStructure.BERR}}

**Break Even Occupancy Rate :** {{propertyFinancials.breakEvenOccupancyRate}}

**INTEREST RATE SENSITIVITY ANALYSIS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Requested**  **Loan Amount** | **Interest Rate** | **Term** | **Net Operating**  **Income** |
| {{loanStructure.loanAmount}} | {{loanStructure.interestRate}} | {{loanStructure.loanAmortization}} | {{ propertyFinancials. underwriterNOI}} |
| **Interest Rate** | **Monthly Loan**  **Payment** | **Annual Loan**  **Payment** | **Resulting DSCR** |
| {{ interestSensitivityData[0]. interestRate}} | {{ interestSensitivityData[0]. interestRatePMT}} | {{ interestSensitivityData[0]. annualLoanPayment}} | {{ interestSensitivityData[0]. resultingDSCR}} |
| {{ interestSensitivityData[1]. interestRate}} | {{ interestSensitivityData[1]. interestRatePMT}} | {{ interestSensitivityData[1]. annualLoanPayment}} | {{ interestSensitivityData[1]. resultingDSCR}} |
| {{ interestSensitivityData[2]. interestRate}} | {{ interestSensitivityData[2]. interestRatePMT}} | {{ interestSensitivityData[2]. annualLoanPayment}} | {{ interestSensitivityData[2]. resultingDSCR}} |
| {{ interestSensitivityData[3]. interestRate}} | {{ interestSensitivityData[3]. interestRatePMT}} | {{ interestSensitivityData[3]. annualLoanPayment}} | {{ interestSensitivityData[3]. resultingDSCR}} |
| {{ interestSensitivityData[4]. interestRate}} | {{ interestSensitivityData[4]. interestRatePMT}} | {{ interestSensitivityData[4]. annualLoanPayment}} | {{ interestSensitivityData[4]. resultingDSCR}} |
| {{ interestSensitivityData[5]. interestRate}} | {{ interestSensitivityData[5]. interestRatePMT}} | {{ interestSensitivityData[5]. annualLoanPayment}} | {{ interestSensitivityData[5]. resultingDSCR}} |
| {{ interestSensitivityData[6]. interestRate}} | {{ interestSensitivityData[6]. interestRatePMT}} | {{ interestSensitivityData[6]. annualLoanPayment}} | {{ interestSensitivityData[6]. resultingDSCR}} |
| {{ interestSensitivityData[7]. interestRate}} | {{ interestSensitivityData[7]. interestRatePMT}} | {{ interestSensitivityData[7]. annualLoanPayment}} | {{ interestSensitivityData[7]. resultingDSCR}} |
| {{ interestSensitivityData[8]. interestRate}} | {{ interestSensitivityData[8]. interestRatePMT}} | {{ interestSensitivityData[8]. annualLoanPayment}} | {{ interestSensitivityData[8]. resultingDSCR}} |

**CAPITALIZATION RATE SENSITIVITY ANALYSIS**

Up and Down 50 basis points

|  |  |  |  |
| --- | --- | --- | --- |
| **Capitalization Rate** | | **Net Operating Income** | |
| {{loanStructure.capitalizationRate}} | | {{propertyFinancials.underwriterNOI}} | |
| **Capitalization Rate** | **Proposed Value of**  **the Property** | | **Max. Loan**  **Amount** |
| {{ capRateSensitivityData [0]. capRate}} | {{ capRateSensitivityData [0]. capRateProposedValue}} | | {{ capRateSensitivityData [0]. capRateMaxLoanAmount}} |
| {{ capRateSensitivityData [1]. capRate}} | {{ capRateSensitivityData [1]. capRateProposedValue}} | | {{ capRateSensitivityData [1]. capRateMaxLoanAmount}} |
| {{ capRateSensitivityData [2]. capRate}} | {{ capRateSensitivityData [2]. capRateProposedValue}} | | {{ capRateSensitivityData [2]. capRateMaxLoanAmount}} |

**PROPERTY FINANCIAL SUMMARY STATEMENT**

**Financial Statements Additional Info:** {{fileUploads.financialStatementsAdditionalInfo[0].location }}

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

|  |  |
| --- | --- |
| SOURCES | |
| **Loan Amount** | {{ borrowerAnalysis.sourcesLoanAmount }} |
| **Owner Equity** | {{ borrowerAnalysis.sourcesOwnerEquity }} |
| **Other** | {{ borrowerAnalysis.sourcesOther }} |
| **Miscellaneous** | {{ borrowerAnalysis.sourcesMiscellaneous }} |
| **Total** | {{ borrowerAnalysis.sourcesTotal }} |

|  |  |
| --- | --- |
| USES | |
| **Purchase/Refinance** | {{ borrowerAnalysis.usesPurchaseOfProperty }} |
| **Escrows** | {{ borrowerAnalysis.usesEscrows}} |
| **Loan Costs** | {{ borrowerAnalysis.usesLoanCosts}} |
| **Other** | {{ borrowerAnalysis.usesOther}} |
| **Total** | {{ borrowerAnalysis.usesTotal }} |

**Management Information Subject Property:** {{borrowerAnalysis.management}}

**Organizational Structure:** {{fileUploads.managementAdditionalInfo[0].location }}

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

**FINANCIAL OVERVIEW**

**Financial Statements Additional Info:** {{fileUploads.financialStatementsAdditionalInfo[0].location }}

**Liquidity:** {{borrowerAnalysis.liquidity}}

**SECONDARY SOURCES OF REPAYMENT – GLOBAL CASH FLOW CALCULATIONS AND DISCUSSION**

**Rental Documents** : {{fileUploads.rentalDocuments [0].location }}

**GUARANTOR FINANCIAL SUMMARY**

**Guarantor Financial Info** : {{fileUploads.guarantorFinancialInfo[0].location }}

**Banking Relationships :** {{fileUploads.bankingRelationships[0].location }}

**Loan Policy Exceptions/Mitigation :** {{loanStructureAndCreditEnhancements.loanPolicyExceptions}}

**Strengths/Weaknesses & Officer Recommendation:** {{loanStructureAndCreditEnhancements.strengthsWeaknessesOfficerRecommendation}}