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CRE - Credit memorandum

Created on: {{createdOn}}

Prepared by: {{userName}}

**LOAN REQUEST**

**Borrowers(s):** {{loanGenericDetails.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 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}}

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**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}}

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

**Property Pics:** {{testProperty2}}

**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}}