



	Non-Owner User (Investor)	Conventional Owner-User	SBA 504 Owner-User	Flagged Hotel
Maximum Loan	\$7,000,000	\$5,000,000	\$5,000,000	\$4,000,000
Maximum LTV	60%-65%	65% - Generic Use 60% Special Use	50% LTV RECC 1st Up to 40% SBA 2nd Total up to 90% CLTV	65%
Minimum DSCR	1.25x	1.25x	1.25x on EBIDTA & Market Rent income approach	1.35x
Loan Term Options	Quarterly, 1,3,5,7,10	Quarterly, 1,3,5,7,10	Quarterly, 1,3,5,7,10	Quarterly, 1,3,5,7,10
Amortization	20 yrs 25 yrs for properties under 10 yrs old	20 yrs 25 yrs for properties under 10 yrs old	1st - 20-25 yr term 2nd - 20-yr term	20 yrs 25 yrs for properties under 10 yrs old
Minimum FICO	650, no previous BK's	650, no previous BK's	650, no previous BK's	650, no previous BK's
Acceptable Markets (MSA)	Most markets	Most markets	Most markets	>20,000 population
Avoid	Gas Station / C-Store Car Wash	Gas Station / C-Store Car Wash	Gas Station / C-Store Non-profits Churches	Age > 20 yrs old ADR/Occupancy below Comp Set >10% Non-rentable rooms Non-flagged Start-Ups (no history)
Preferred Characteristics	Office Industrial Retail Medical Office	Office Industrial Retail Medical Office	Office Industrial Retail Medical Office	Interior Corridor Strong franchise <100 units RevPAR, ARD & Occupancy on par with Comp set
Management Experience	Prior similar ownership or mgmt <u>required</u>	Prior similar ownership or mgmt <u>preferred</u>	Prior similar ownership or mgmt <u>preferred</u>	Prior similar ownership or mgmt <u>required</u>
Min. Prepayment Penalty	5,4,3,2,1	5,4,3,2,1	1st - 5,4,3,2,1 2nd - 10yr stepdown	5,4,3,2,1
Typical Imputed Cap Rates	8% - 9%	8% - 9%	8% - 9% on Market income approach	10% - 12%
Secondary Payment Sources	Must show at least 25% of ADS from 2nd income source	Business EBITDA must cover at 1.20x If Start-Up, then 100% of ADS from 2nd source	Business EBITDA must cover at 1.20x	Business EBITDA must cover at 1.35x