

The

CRITTENDEN™ REPORT®

Real Estate Financing

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Vol. 38, No. 21 November 5, 2012

DEAL OF THE WEEK

Property Type: Mixed-Use Property in Los Angeles

Loan: \$10.5M cash-out refi

Lender: **Freddie Mac**

Leverage: 70%

Rate: 3.9%

This was a unique loan for Freddie Mac because 32% of the property's total income comes from non-residential sources, including retail. The property also has live/work loft space, which many multifamily lenders will avoid. The borrower's strong track record, along with the asset's stabilized cash flow and the long-term commercial tenants, helped make the lender comfortable. The borrower stabilized the live/work loft space in the downturn, which was also favorable from a lender standpoint. The non-recourse refinance will pay off the original bank acquisition loan and an additional rehab loan on the property, totaling \$8.8M. The borrower received \$1.7M in cash-out proceeds for future investments. This was a 10-year loan, with 30-year amortization. DSC was 1.25x. The borrower originally purchased the property for \$5.4M.

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