



LaSalle Bank Program Overview

- Loan Amounts from \$500,000 to \$5 million
- Exception down to \$300,000 loan amount add .50% to rate for loans below \$500,000
- Available in All 50 States and Washington DC

Products include a 6 MO LIBOR index plus 2.50% margin ARM fully amortized 30 year loan. Fixed rate 3, 5, 7 and 10 year hybrids that roll over to the 6 MO LIBOR ARM after the fixed period and a 15 year fully amortizing loan. With the exception of the 15 year product, all loans are typically term/amortized 30 years. No Balloon Payment.

3, 5, 7 & 10 Fixed Rates then roll over to 6 Month LIBOR index plus 2.50% Margin (No Balloon)

These loan products have rates that are fixed for their initial term, (3, 5, 7 or 10 years) with payments calculated up to a 30 year amortization. At the end of the initial term, these programs adjust semi-annually for the remaining life of the loan.

F15 15 Year Fixed Rate

15 Year Fixed Rate product term/amortized over 15 years.

Interest Only

Fixed for 3 or 5 years. Maximum LTV is 70% purchase and no cash out refinances and to 65% LTV for cash out refinances. 15 year call. The rate and to qualify the loan we use the start rate of the 3 or, 5 year program above and 30 year amortization plus 10 bps. Fixed for 3 or 5 years then rolls over to 6 MO LIBOR index plus 2.50 margin, 30 yr amortization, minimum 1.30 DCR.

Mixed Use

5+ apartment units minimum plus commercial or retail space. Mixed Use is defined as properties where no more than 25% of the current gross income comes from the commercial units and the number of commercial units does not exceed 25% of the total legal units.

Mobile Home Parks

15+ Pads maximum 25% park owned models, add 10 basis points to above rates.

Terminology and Formulas

Net Operating Income (NOI): Gross rents or income received less expenses.

Annual Debt Service: Monthly principal and interest times 12 months.

Debt Coverage Ratio (DCR): Principle and Interest divided into NOI (net operating income).
1.20 or higher is acceptable.

Cap Rate: A measurement of the rate of return on an investment. NOI divided by the purchase price.
The general range should be between 8%-13%.

Gross Rent Multiplier: A measure of the rate of return on an investment. Property value divided by the annual gross income. The general range should be between 4-8.

Return on Investment (ROI): It is calculated by taking the annual cash flow or equity increase and dividing it by the amount of cash invested.

Cash on Cash Return: Annual Debt Service / Net Operating Income (NOI).

Qualification Rate: The rate the lender uses to qualify or size the loan. Some lenders use the start rate others use a higher qualification rate than the start rate. The lower the qualification rate and higher the amortization the bigger the loan amount.