

# SBA 504

## WHOLESALE 1<sup>ST</sup> MORTGAGES with MORGAN STANLEY

- Direct table fund & loan purchases – available in all 50 states
- New SBA 504 originations / Refinance existing SBA 504 1<sup>st</sup> mortgages / 504 Debt Refi
- Rates fixed for up to 25 years – all with 25 year amortization
- Max premium = first year Prepay (no cap on dollar amount – earn up to 10 points)
- Multi-purpose only: office, warehouse, industrial, retail, manufacture, medical, dental, etc.
- No Special Purpose: auto dealer, care facility, equipment, gas, hospitality, restaurant, storage, schools
- Maximum 60% LTV on 1st mortgage for 1st up to \$7.5MM / 55% LTV for 1st over \$7.5MM
- DSCR min of 1.2 for last fiscal year and interim
- Minimum personal FICO 680
- No personal or corporate bankruptcies
- Allowance of 20% principal reduction per year
- Preferred Pricing for Quintessential Credit: for the right deal MS will beat anyone & fix rate for 25 years
- Volume Bonus of 50 bps or 0.125% lower par rate for every \$5 million in first mortgages
- If LTV is under 40% on first mortgage: Reduce Par rate by 25 bps
- Libor Swap Index Rates: [www.theice.com/marketdata/reports/180](http://www.theice.com/marketdata/reports/180)
- Ask about Preferred Pricing for Quintessential Credit

### PAR RATES = INDEX + SPREAD: Earn 1 point premium for each additional 25 bps

Variable Rate:	WSJ Prime Index Rate + 0 bps or 90 Day Libor Swap Index Rate + 250 bps
1 Year Fixed Rate:	1 Year Libor Swap Index Rate + 250 bps
3 Year Fixed Rate:	3 Year Libor Swap Index Rate + 250 bps
5 Year Fixed Rate:	5 Year Libor Swap Index Rate + 200 bps
7 Year Fixed Rate:	7 Year Libor Swap Index Rate + 200 bps
10 Year Fixed Rate:	10 Year Libor Swap Index Rate + 250 bps
25 Year Fixed Rate:	10 Year Libor Swap Index Rate + 275 bps

### Prepay Penalty— Additional Premium

	Adjustable	3, 5 & 7 Year	10 & 25 year
Declining 5/4/3/2/1	1 point	Minimum	NA
Flat 5% for 5 years	1.5 points	0.5 points	Minimum
Declining 7/6/5/4/3/2/1	1.75 points	0.75 points	0.25 points
Flat 5% for 5 years, then 5/4/3/2/1	2 points	1 point	0.5 points
10/9/8/7/6/5/4/3/2/1	2.5 points	1.5 points	1 point
Flat 10% for 10 years	3.5 points	2.5 points	1.5 points

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TOP 10 REASONS TO DO

# SBA 504

WHOLESALE 1<sup>ST</sup> MORTGAGES with MORGAN STANLEY

- 1. Beat lending competition while maintaining full client relationship**
- 2. 1<sup>st</sup> mortgage interest rate fixed for up to 25 years**
- 3. Preferred Pricing for Quintessential Credit deals to beat any bank with 25 year fixed rate for the right quality deal**
- 4. 1<sup>st</sup> mortgage is 25 years fully amortizing**
- 5. Earn premium income with infinite return on investment**
- 6. All SBA options available: SBA 504 Originations, Refi existing 504 1<sup>st</sup> Mortgages, 504 Debt Refi**
- 7. Do out of market deals nationwide**
- 8. Eliminate legal lending limit issues to single borrower**
- 9. Satisfy customer need while not affecting selling lender's balance sheet**
- 10. Increase bank's liquidity**

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**CAPITAL MARKETS**

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