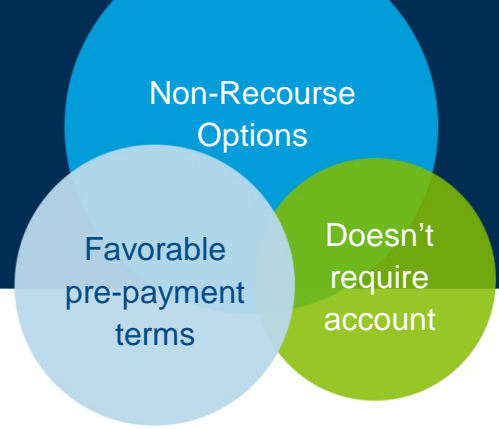


Hospitality Overview

Alliant Credit Union's commercial real estate team is ready to help your clients who are looking to invest in hotels. As the capital source, we can be more flexible and responsive, offering par pricing for mortgage bankers.



Characteristics	Existing properties only; prefer 100+ keys and major franchise affiliation; other properties considered on a case-by-case basis.
Markets	The property should be in the top 75% of PWC ranked markets and in the top 50% ranking by asset class
Locations	In major commercial or vacation demand area; urban or suburban, but near major demand generators (airports, etc.)
Asset Class	A to B quality properties.
Property Condition	Limited deferred maintenance; structured escrows to address limited issues. Ongoing reserve for replacements and capital expenditures.
Loan Size	\$7.5MM to \$25MM preferred
Interest Rate	Dependent on transaction characteristics; target pricing at upper range of all property types.
DSCR	1.35 minimum with three years historical operations, or borrower must provide feasibility study demonstrating sufficient demand to provide 1.35 DSCR within the next 12–24 months
Term	5 and 7 year bullets, but will consider 5+5 and 7+3 structures provided the prepayment penalty resets at the Loan Extension and an Extension Fee of 0.5% is charged.
Amortization	20 years preferred, but will consider 25 years for highly experienced operators owning exceptionally well-located assets with consistent historical performance (or when LTV below 55%).
Leverage	65% preferred, but will consider 70% for highly experienced operators owning exceptionally well located assets with consistent historical performance.
Ownership	Single asset entities favored but not required; non-U.S. citizens are accepted; must have qualified credit union member as the controlling party.
Principal(s)	Controlling principal(s) should have credit scores 740+ (mid score), be experienced lodging owners, and local to the asset or have hired a reputable and experienced local property management firm.
Recourse	100% recourse; will consider partial recourse for low LTV scenario.



To get started, send me:

- Property info with photo
- Current rent roll
- Income/expense statement
- Guarantor bio
- PFS – credit of borrower
- Existing debt
- Purchase price

Your Alliant Professional:

Paul Letourneau
Manager, Originations

Office phone:
 773-462-3832

Email:
 CRELoanOfficers@alliantcreditunion.com

Carve-outs	Fraud, misrepresentation, misapplication of funds, failure to pay taxes and insurance, waste, and environmental indemnification.
Pre-payment	3, 2, 1, 0% thereafter
Processing Fee	\$10,000–\$50,000 depending on location and underwriting scope
Rate Lock	60-day lock at application accompanied by a 1% deposit; extended lock periods are available on a case-by-case basis
Tax Escrow	Required
Reports	Appraisal, Environmental and PCA reports engaged by Alliant and paid for by Borrower. Feasibility study if property not yet stabilized. STR reports covering 3 years of operations to be provided.
Survey	ALTA Survey completed within the last 12 months and otherwise acceptable to Alliant.
Operating Statements	Provide a minimum of 3 years of operating statements supported by tax returns, if available.
Third-party Management	If managed by third party, written contract and Assignment and Subordination Agreement are required. Managing entity must have at least five years of experience with similar properties.
Additional Legal	Hotel Security Agreement, Franchise Agreement, and Comfort Letter.