

F&M Bank's Report on Competitive Banks Offering Commercial Mortgage Lending

Bank of America

BofA provides a range of commercial real estate loan products that offer flexibility depending upon property type and the loan purpose. Loans can be used to purchase, refinance or recapitalize completed, existing and stabilized real estate properties located throughout the United States.

The three loan products offered by Commercial Mortgage Lending are: the Standard Product, which provides fixed rate, non-recourse, long term mortgages from \$1.5 million and higher; the Small Loan Product, which provides fixed or floating rate mortgage loans with a range of loan terms from \$250,000 to \$2 million; and the Variable Convertible Rate product, which provides a short-term variable rate mortgage of \$1 million and higher, with the option to convert to a Standard Conduit loan at any time during the variable term.

Standard Rate Sheet

Property Type	Max. LTV	Min. DSCR	Max. Amort.	Spread (bps)	Min Reserves
Multi-Family	80%	1.2X	30 yrs.	175-245	\$200/unit
Mobile Home Parks	75%	1.25X	30 yrs.	185-250	\$50-\$100/pad
Anchored Retail	80%	1.2X	30 yrs.	180-230	\$0.10-\$0.20/sf
Unanchored Retail	75%	1.25x	25 yrs.	195-270	\$0.10-\$0.20/sf
Industrial	75%	1.25X	25 yrs.	180-260	\$0.10-\$0.20/sf
Office	75%	1.25X	25 yrs.	180-280	\$0.15-\$0.25/sf
Lodging	70%	1.4X	25 yrs.	230-405	4%-5% of Total Revenues
Healthcare	75%	1.35X	25 yrs.	245-355	\$250/bed or unit
Senior Housing	80%	1.25X	30 yrs.	180-225	\$200/unit
Self-Storage	75%	1.25X	25 yrs.	210-300	\$0.15-\$0.20/sf
Golf Course	70%	1.40X	25 yrs.	275-330	3%-5% of Total Revenues

Pricing is based on a spread over a specified Treasury and subject to a Treasury security yield floor.

Program Highlights

Loan Size	\$1,500,000 and higher.
Location	National
Term	5,7 or 10-year terms with balloons. Fully amortized loans are also available
Amortization	25 to 30 years for 7 and 10-year balloon loans
Loan Fees	1% of loan amount
Application Fee	\$5,000 non-refundable processing fee, plus estimated costs for 3 rd party reports, legal and other costs
Prepayment	No prepayment permitted except during the last sixty days of the loan term; standard defeasance applies
Timing	Closing is typically 60 days from receipt of completed application

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Variable Rate Convertible Program Program Highlights

Loan Size	\$1,000,000 and higher.
Location	National
Term	3 year, with an option to convert to a Standard Conduit Program fixed rate mortgage loan. Lodging properties have a 2 year term in which to convert
Amortization	Interest only during the variable rate period. Generally 20 to 30 years at conversion depending on property type and age
Loan Fees	½% on loans \$10 million or more, ¾% on loans \$3 million to \$10 million and 1% on loans less than \$3 million. Buy-up options available.
Transaction Costs	\$5,000 non-refundable processing fee, plus estimated costs for 3 rd party reports, legal and other costs.
Prepayment	Open during the variable rate period with a market exit fee that will be waived if the conversion option is elected. Standard lockout/defeasance after conversion to a fixed rate loan
Variable Interest Rates	Choose a spread over 30, 60 or 90 day LIBOR

Variable Rate Convertible Program Program Rate Sheet

Variable

(LIBOR Based Interest Only)

Convertible/Fixed Rate (Treasury Based, Amortization)

Product Type	Spread range (bps)	Product Type	Min. DSC	Max. LTV	Max. Amort.	Spread Range
Multi-Family	175-250	Multi-Family	1.2X	80%	30 yrs.	140-210
Mobile Home Parks	175-250	Mobile Home Parks	1.25X	75%	30 yrs.	150-215
Self-Storage	200-300	Self-Storage	1.25X	75%	30 yrs.	175-265
Anchored Retail	175-250	Anchored Retail	1.20X	80%	30 yrs.	145-200
Retail	200-275	Retail	1.25X	75%	30 yrs.	145-235
Office	175-250	Office	1.25X	75%	30 yrs.	145-245
Industrial	175-250	Industrial	1.25X	75%	30 yrs.	145-230
Senior Housing	190-235	Senior Housing	1.25X	80%	25 yrs.	145-195
Independent Living	225-295	Independent Living	1.35X	75%	25 yrs.	210-245
Lodging	200-300	Lodging	1.40X	70%	25 yrs.	180-330

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Small Loan Program

Provides fixed or adjustable rate mortgages between \$250,000 and \$2 million to owners of stabilized commercial real estate properties throughout the United States.

Loan Size	\$250,000 to \$2 million.
Location	National
Loan to Value	The lesser of a maximum 75% loan-to-value or 80% of purchase price for all property types
Term	The fixed rate option provides 5, 7 and 10 year balloon loans, as well as 15 and 20 year fully amortized loans. The adjustable rate option provides 3, 5 and 7 year balloon loans.
Amortization	A maximum 25 to 30 years depending on property types, except for the 3-year adjustable rate which has a maximum of 20 years
Loan Fees	1% to 2% of the loan amount. Par pricing options are available
Transaction Costs	\$6,500 nonrefundable processing fee, plus estimated costs for 3 rd party reports, legal and other costs.
Prepayment	The standard fixed rate option includes no lockout with declining prepayment penalty for the first three to nine years

Small Loan Program Fixed Rate Option (No Lockout)

Property Type	Max. LTV	Min. DSCR	Max. Amort.	Spread (bps)	Constant	Typical Reserves
Multi-Family	80%	1.2X	30 yrs.	185-260	Actual	\$200-\$300/unit
Mobile Home Parks	75%	1.25X	25 yrs.	195-290	Actual	\$50-\$100/pad
Retail	75%	1.25X	25 yrs.	225-295	Actual	\$0.15-\$0.25/sf
Industrial	75%	1.25X	25 yrs.	225-295	Actual	\$0.15-\$0.25/sf
Office	75%	1.25X	25 yrs.	230-300	Actual	\$0.15-\$0.25/sf
Self-Storage	75%	1.25X	25 yrs.	255-320	Actual	\$0.15-\$0.25/sf