



Date: October 3<sup>rd</sup>, 2022

**RE: Credit Proposal for Multi Family, Non-Owner Residence**

Great River Federal Credit Union ("Credit Union") is pleased to express our interest in providing the following credit and deposit service for your borrower. This letter is not intended to constitute a commitment to lend on the part of the Great River FCU. A commitment and final terms and conditions will be subject to credit approval and loan documentation.

Borrower: To Be Determined

*Qualifying for credit union membership and becoming a credit union member is required.*

**Loan - Commercial Real Estate Loan**

**Loan Amount:** \$1,000,000.00 The final loan amount will be based on an appraisal supporting value and underwriting criteria for the Credit Union. Maximum advance of the facility will be lesser of \$1,000,000.00, or 75% of Credit Union approved appraisal on collateral property "As Is".

**Purpose:** To provide permanent financing for real estate.

**Terms:** 5-year term with a 30-year amortization.

**Rate:** 4.99% fixed for the first 5 loan years. Rate is contingent upon a risk rating of 1-4. Rate will adjust at the end of the 5<sup>th</sup> loan year and will be determined by the lender.

**Origination Fee:** 1.00 % of loan amount

**Repayment:** Monthly principal and interest; balance due at end of term (automatic ACH loan payments are preferred).

**Prepayment:** The loan will have no prepayment penalty



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Collateral: First Deed of Trust and Assignment of Rents on multi family, non-owner residence.

Covenants: Subject property minimum DSCR requirement of 1.25  
Ongoing subject property minimum DSCR requirement of 1.25  
Global cash flow minimum DSCR requirement of 1.25

### Due Diligence Requirements

- This Credit Proposal is based on preliminary information. Borrower and Guarantors are to provide for final underwriting and credit approval the following:
  - Three years' operating statements, plus year to date
  - Current rent roll showing lease terms/expiry plus copies of lease agreements for all tenants occupying 25%+ of the building
  - Borrower financial statements and personal financial statements of principals (20%+ owners) and a minimum of 51% of the owners
  - 3 years tax returns for principals and borrower
- A security deposit of \$5,00.00 (Five-thousand-dollars) to cover third party appraisal costs will be due prior to ordering property appraisal. A deposit will also be required if it is determined that a Phase 1 environmental report is required.
- A Letter of Interest will be issued detailing all loan terms subsequent to underwriting and, in most cases, before third party reports are received and accepted by Credit Union. Subsequent to all closing conditions being met, we will move directly to loan documentation and loan closing.
- Credit Union will not close on loan until such time as an appraisal is ordered, reviewed, and accepted by Credit Union with all final Credit Union conditions met.
- Acceptable title insuring Credit Union's first deed of trust position on subject collateral property.
- Acceptable Environmental Data Resources report and/or Phase I if required.



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# GREAT RIVER

Federal Credit Union

Credit Union desires to maintain a direct lending and depository relationship with the Borrower in conjunction with the extension of the credit facility described above. The proposed pricing and fees are based upon the subject property's primary operating deposit accounts or other related deposit accounts being maintained with Credit Union.

We look forward to working with you all in a mutually beneficial relationship and in assisting you with your future success.

Thank you for your time,

Great River Federal Credit Union

Signed and Acknowledged by:

Heather Helmbrecht  
Heather Helmbrecht  
Commercial Loan Officer | NMLS #2408510  
Great River Federal Credit Union

October 3rd, 2022  
Date



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