CAPITAL

Commercial & Private Money Lender

Glossary of Commercial Mortgage Terminology

6730 Florence Avenue Suite 101 Bell Gardens, CA 90201
Office 877.238.3837 | Fax 562.330.5497
info@rgc.capital | rgccap.com

Glossary of Commercial Mortgage Terms

(Building)

Glossary abbreviation for Building tab.

(IE)

Glossary abbreviation for Income/Expense tab.

(LA)

Glossary abbreviation for Leasing Assumptions tab.

(Loan Quote)

Glossary abbreviation for Loan Quote tab.

(Loan)

Glossary abbreviation for Loan tab.

(Menu)

Refers to the LoanSizer Menu Bar.

(Property)

Glossary abbreviation for Property tab.

(RR)

Glossary abbreviation for Rent Roll tab.

(UI)

Glossary abbreviation for Underwriter Info tab.

10 pads Unit Density

Refers to the number of mobile home pads as being 10 pads per acre; represented by density of land coverage.

10 Yr US Treasury

An index rate; a published interest rate (or interpolation of rates) usually corresponding to the current yield of a US Treasury note or bond, Prime Rate, LIBOR, etc. The Final Note Rate is typically equal to the sum of the index rate plus the spread. Index rate yields are typically published in daily papers by financial information services (e.g. Wall Street Journal, Bloomberg).

100% Sprinklered

Identifies whether all areas of the building are sprinklered; a sprinkler system is typically an automatic fire-suppression system with an audible alarm and that disperses an area with water or fire retardant from overhead sprinklers when excessive heat and/or smoke is detected. Fire systems are typically wet, dry or chemical systems.

30/360

An interest rate accrual method in which the interest calculation assumes that all 12 months of a calendar year have 30 days and uses a 360-day year. An Actual/360 interest calculation charges interest for all 365 calendar days using a 360-day year. Therefore, borrowers pay 5 days less interest than under Actual/360. The Actual/360 interest calculation produces an effective interest rate that is 12 basis points higher than that produced by the 30/360 interest calculation.

< 10 pads Unit Density

Refers to the number of mobile home pads as being less than 10 pads per acre; represented by density of land coverage.

> 10 pads Unit Density

Refers to the number of mobile home pads as being greater than 10 pads per acre; represented by density of land coverage.

Above Average

Refers to a superior overall appearance and marketability of the property as it relates to other comparable properties in the market or submarket; factors include actual and effective age, structural and aesthetic appeal, physical condition, functional utility, etc.

Acre

A measure of land equal to 43,560 square feet, 4,840 square yards or 160 square rods. A square parcel of land measuring 208.71 feet on each side contains one acre. There are 640 acres in a "section" of land.

Actual 360

An interest rate accrual method in which interest calculation charges interest for all 365 calendar days using a 360-day year. A 30/360 interest calculation assumes that all 12 months of a calendar year have 30 days and uses a 360-day year. Therefore, borrowers pay 5 days more interest than under 30/360. The Actual/360 interest calculation produces an effective interest rate that is 12 basis points higher than that produced by the 30/360 interest calculation.

Actual 365

An interest accrual method in which the annual interest will be divided by a 365 day year, and the interest for each interest period will be the interest for the actual number of days in that period. The number of days in the year for periodic calculation is usually one of three choices: 1) actual days in the year (365 or 366 for leap years), 2) always 365 days, or 3) always 360 days (based on 12 x 30-day months). Each interest basis reflects a choice for computing the number of days in the interest period and the number of days in the year in which interest is paid. Municipal and corporate bonds use the 30/360 basis, and government bonds use Actual/Actual. T-bill discounts are calculated on an actual/360 basis. Many variable rate municipal bonds are based on Actual/Actual or Actual/365.

Actual/Actual

An interest accrual method in which the annual interest will be divided by a 365 or 366 day year, and the interest for each interest period will be the interest for the actual number of days in that period.

Adequate - Ease of Ingress/Egress

Refers to a good degree of capacity to enter and exit a property.

Adequate Truck Turnaround

Refers to a good degree of capacity and ability for tractor-trailers to maneuver on the property; based on the size and shape of the land. For example, an odd-shaped or odd-sized parcel of land may be appropriate for an office but may provide limited functionality for industrial loading and delivery.

ADO - Average Daily Occupancy

A ratio, expressed as a percentage, that shows the average number of paid guests for each room sold; calculated by dividing number of paid room guests by number of rooms

sold. Measures management's ability to effectively operate and promote the lodging facilities.

ADR - Average Daily Rate

A hotel rate used to evaluate the average daily rate of a hotel inclusive of vacancy and seasonality; the average rate charged by a hotel for one (1) room for one (1) day; arrived at by dividing the total room revenue by the actual rooms occupied. A measurement used to guage the financial competitiveness of the market for similar properties, facilities and/or guest rooms.

Advertising & Marketing

An expense line item that includes expenses for advertising, promotion, sales, and publicity managers, secretaries and clerks and all related printing, stationary, artwork, magazine space, broadcasting, and postage related to marketing.

All Exterior Guest Corridors

Identifies that all of the corridor area(s) through which guests gain access to sleeping rooms are exterior (e.g. walkways that are subject to weather conditions.

All Interior Guest Corridors

Identifies that all of the corridor area(s) through which guests gain access to sleeping rooms are interior and enclosed (e.g. walkways that are not subject to weather conditions).

All Paved - Road Surfaces

Identifies all of the road surfaces as being paved with macadam, concrete, cement or other similar surfacing.

Amortization

Identifies the loan amortization that is being quoted (in years); the period of time over which principal and interest payments are scheduled. For example, a loan with a 10-year term and a 25-year amortization will have a balloon payment at the end of 10 years. Also, the maximum number of periodic installments (expressed in years) over which repayment of a mortgage debt is calculated; a portion of each payment consists of a blend of interest and amortization of principal.

Anchor

Identifies whether the tenant is an anchor tenant. An anchor tenant is a well-known commercial business such as a national chain store, regional department store or Fortune 500 company strategically placed in a shopping center or other commercial building.

Annual Rent

Identifies the total annual rent, or base rent, paid by the tenant to the lessor.

Anticipated Closing Date

If the Loan Purpose is Purchase, identifies the anticipated or desired closing date of the sale transaction.

Anticipated Completion Date (Property)

If the Loan Purpose is Construction, identifies the anticipated completion date of construction.

Appearance (Building)

In LoanSizer, used to describe the overall appearance and marketability of the property as it relates to other comparable properties in the market or submarket; factors include actual and effective age, structural and aesthetic appeal, physical condition, functional utility, etc.

Application Fee (Loan Quote)

A fee or schedule of fees charged by a lender at the time of loan application. This fee may include the cost of an appraisal, credit report, processing fee or other closing costs which are incurred during the process or the fee may be in addition to other charges.

Appraisal (Property)

An estimate of the value of a property, made by a qualified professional called an appraiser; results in the estimated market value of the property.

Appraisal Date (Property)

Identifies the date of value on the last appraisal made on the property.

Appraisal Fee (Loan Quote)

A quoted or estimate fee to cover the cost of the appraisal required by the lender to obtain a mortgage.

Appraised Value (Property)

Identifies the indicated value or <fair> market value based on the last appraisal made on the property.

Asking Rent

Rental rate offered by the landlord to a prospective tenant; see Est. Market Rent.

Assisted Living

A Healthcare subtype; provides apartment-style accommodations where services focus on providing assistance with daily living activities. These facilities are designed to bridge the gap between independent living and nursing home care, and provide a higher level of services for their residents including meals, housekeeping, medication assistance, laundry, and regular checks-ins.

Assumption Fee (Loan Quote)

A fee, paid a borrower or lender, for the paperwork and processing of records necessary to approve and document a new debtor.

At Grade

Identifies the height or elevation of the primary loading docks on the building; at grade refers to a door level with the ground at the foundation of a building.

Available Funds

All funds available or collected, including prepayments, servicer advances , etc.

Available Funds Cap

Limited amount of interest payable to certificate holders to the extent of interest accrued on a group/pool of mortgage loans.

Average

Refers to an average or similar overall appearance and marketability of the property as it relates to other comparable properties in the market or submarket; factors include actual and effective age, structural and aesthetic appeal, physical condition, functional utility, etc.

Avg. Lease Term (UI)

The average term (or length) of all leases encumbering the collateral property, expressed in years.

Avg. Quality Metal General Building Exterior

Identifies the general property exterior to be constructed of average quality metal or prefabricated metal.

Bankruptcy

Identifies whether a borrowing entity has filed for bankruptcy in the past. Bankruptcy - court proceedings to relieve the debts of an individual or business unable to pay its creditors. An individual, firm, or corporation who, through a court proceeding, is relieved from the payment of all debts. Bankruptcy may be declared under one of several chapters of the federal bankruptcy code.

Base Month

The month in which the instrument begins; in a lease, base month is the month in which the lease starts. In a mortgage note, base month is the month in which the mortgage note is executed.

Base Rent

The minimum stipulated rental rate in a lease agreement before adjustments for lease concessions (if any); also the minimum fixed guaranteed rent in a commercial property lease; separate from any overages or additional rental fees.

Base Year

The year in which the instrument begins; in a lease, base year is the year in which the lease starts. In a mortgage note, base year is the year in which the mortgage note is executed.

Below Average

Refers to an inferior overall appearance and marketability of the property as it relates to other comparable properties in the market or submarket; factors include actual and effective age, structural and aesthetic appeal, physical condition, functional utility, etc.

Blanket Loan

Refers to a mortgage that covers more than one parcel of real estate owned by the mortgagor.

Borrower Affiliated (RR)

Identifies whether the tenant is affiliated or related to the borrower. Often, the rental rate per square foot (or unit) paid the borrower-affiliated tenants may be less than or greater than market rent; in which case, an underwriter might consider increasing or decreasing the underwritten rent to normalize the income generated by the tenant (also referred to as "mark to market").

Borrower Name (Loan)

The name of the borrower/sponsor.

Borrower Net Worth (Loan)

The value of all assets, including cash, less total liabilities. For underwriting purposes, this is used as a guideline to indicate creditworthiness and financial strength. The net worth of a business is represented by the amount that its assets exceed liabilities.

Borrower Type (Loan)

The legal structure of the borrower/sponsor; options include Individual, Corporation, Limited Liability Company (LLC), Trust, Limited or General Partnership, or Other.

Both - Dock Level

Identifies the height or elevation of the primary loading docks on the building; includes both "dock height" and "at grade" levels.

Bridge Loan

Short-term mortgage financing that is in place between the termination of one loan and the beginning of another loan. Also, a form of interim loan, generally made between a short term loan and a permanent (long term) loan, when the borrower needs to have more time before taking the long term financing.

Building Appearance and Marketability (Building)

The overall appearance and marketability as it relates to typical market standards. In LoanSizer, options include below average, average, or above average.

Building Type

Determines the primary building type; options include Office, Multifamily, Mobile Home Park, Retail, Industrial, Healthcare, Self Storage, Hotel, and Mixed Use.

Business or Vacation Primary Guest Types

Identifies that the hotel rooms are predominately occupied by business and/or vacation travelers.

Business Primary Guest Types

Identifies that the hotel rooms are predominately occupied by business guests.

Business/Economy Primary Guest Types

Identifies that the hotel rooms are predominately occupied by business and/or economy guests.

Butler-Type Building (Building)

A pre-engineered metal building typically used for light industrial purposes; characterized by pre-engineered metal walls and/or wood pole barn construction.

Cafeterias (Building)

A dining area where meals are served and eaten.

CAM & Utilities (RR)

Common Area Maintenance (CAM); Operational expenses related to the utilities and maintenance of retail and office properties; under a Triple-Net lease the Tenant is required to reimburse the Landlord for their proportionate amount (based on square footage) of this expense.

Cap Ex. (IE)

An expense line item that includes expenses for anticipated capital expenditures required to maintain a building and future capital improvements of major building systems (e.g. HVAC, parking lot, carpets, roof, etc.). Replacement reserves are typically calculated on a per unit basis (e.g. multifamily - per unit; office, retail, industrial - per square foot; etc.).

Capitalization Rate (UI)

A guideline provided by LoanSizer that suggests a capitalization rate for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, and numerous physical, financial and tenancy factors identified in the proposed

loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. The cap rate is the rate of return on net operating income considered acceptable for an investor and used to determine the capitalized value. This rate should provide a return on, as well as a return of, capital; also known as "cap rate". Also, the ratio of the annual NOI to the property price (or value). The formula is: Value = annual Income divided by the capitalization Rate (V=I/R). For example, if a property generates $100,000 of net operating income and the capitalization rate is 10.0%, then the capitalized value of the income stream is $1,000,000. Conversely, if a property generated $100,000 of net operating income and was sold for $1,000,000, then the sales cap rate is 10.0%. Cap rates are determined by various methods including market driven (derived from comparable sales), band of investment technique (mortgage-equity analysis), Ellwood formula, Akerson format, etc.

CBD Office

An Office subtype characterized by its location in a Central Business District (CBD); the downtown section of a city, generally consisting of retail, office, hotel, entertainment, and government land uses with some high-density housing.

Central Business District (Property)

Central Business District (CBD); the downtown section of a city, generally consisting of retail, office, hotel, entertainment, and government land uses with some high–density housing.

Change Status (Menu)

Changes the Loan Status.

Check if Vacant Space (RR)

Identifies whether the leased area is vacant. If checked, LoanSizer will account for this leased area as net rental area and will multiply the estimated market rent times the vacant area when calculating the Potential Gross Income (PGI).

Class A

A property classification for properties that are above average in terms of design, construction and finish; command the highest rental rates; have a superior location, in terms of desirability and/or accessibility; generally are professionally managed by national or large regional management companies.

Class A Office Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. A Class A Office property classification refers to properties that are above average in terms of design, construction and finish; command the highest rental rates; have a superior location, in terms of desirability and/or accessibility; generally are professionally managed by national or large regional management companies.

Class B

A property classification for properties that frequently do not possess design and finish reflective of current standards and preferences; construction is adequate; command average rental rates; generally are well maintained by national or regional management companies; unit sizes are usually larger than current standards.

Class B Office Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. A Class B Office property classification refers to properties that frequently do not possess design and finish reflective of current standards and preferences; construction is adequate; command average rental rates; generally are

well maintained by national or regional management companies; unit sizes are usually larger than current standards.

Class C

A property classification for properties that provide adequate functionality, exhibit some level of deferred maintenance; command below average rental rates; usually located in less desirable areas; generally managed by smaller, local property management companies; tenants provide a less stable income stream to property owners than Class A and B tenants.

Class C Office Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. A Class A Office property classification refers to properties that provide adequate functionality, exhibit some level of deferred maintenance; command below average rental rates; usually located in less desirable areas; generally managed by smaller, local property management companies; tenants provide a less stable income stream to property owners than Class A and B tenants.

Clear Ceiling Height (Building)

The dominant or typical vertical measurement from the floor of the structure to the bottom of the lowest overhead beam (under beam); expressed in feet. Also referred to as “clear headway” or “clearance.”

Clubhouses (Building)

Identifies the number of clubhouses located on the property.

Co-op

A Multifamily subtype; characterized by its method of multiple ownership in which a corporation or business trust entity holds title to a property, (usually an apartment complex) and grants occupancy rights to shareholder tenants through proprietary leases. Also called a "cooperative."

Common Area Maintenance (RR)

Identifies the method by which the tenant is responsible for payment or reimbursement of Common Area Maintenance (CAM) and utility charges.

Community Shopping Center (Building)

Open shopping center of 100,000 - 400,000 square feet. Tenants: Supermarket and/or department or discount store.

Conduit

The financial intermediary that sponsors the conduit between the lender(s) originating loans and the ultimate investor. The conduit makes or purchases loans from third party correspondents under standardized terms, underwriting and documents and then, when sufficient volume has been obtained, pools the loans for sale to investors in the CMBS market.

Congregate Care

A Healthcare subtype; similar to independent living, but features a community environment, with one or more meals per day prepared and served in a community dining room. Many other services and amenities may be provided such as transportation, pools, a convenience store, bank, barber/beauty shop, resident laundry, housekeeping, and security.

Construction

An event resulting in the construction, renovation or rehabilitation of real estate. In LoanSizer, the purpose for which the loan request is being completed; options include Purchase, Refinance, Construction.

Construction Costs (Building)

If the Loan Purpose is Construction, identifies the total cost of construction (including all hard costs and soft costs and land acquisition cost, if applicable).

Construction Loan

A short term loan to pay for the construction of commercial buildings. These loans typically provide periodic disbursements to the builder as each stage of the building is completed. When construction is completed a take–out or permanent loan is used to pay off the construction loan.

Contract Rent (RR)

Actual rent as specified in a rental or lease agreement, as opposed to actual market or economic rent. IN LoanSizer, options include $/Yr., $/SF/Yr., $/SF/Mo. Different from Market Rent which is the rental income that a property is likely to command in the under current market conditions. Market rent, also referred to as economic rent, may be either higher or lower than contract rent.

Corner Located (Property)

Identifies whether the property is has frontage on one or more streets or is otherwise located on a corner or street intersection. For certain properties, corner location may increase the overall appeal and marketability of the property (e.g. hotel, high-scale retail, self-storage, etc.).

Corporate Housing (Building)

Identifies whether the multifamily property is occupied by corporate tenants. In multifamily underwriting, clauses may be included in leases that allow the tenant to terminate the lease without penalty if and when the tenant is transferred to another location.

Corporation

A borrowing entity structured as a group of people granted a charter legally recognizing them as a separate entity having its own rights, powers, privileges and liabilities distinct and separate from those of its members.

Costs Documented (Property)

If the Loan Purpose is Refinance, identifies whether the cost of the improvements (e.g. renovations, capital improvements) made to the property following the acquisition can be documented; usually supported by invoices or work receipts.

Covered Parking Spaces (Building)

Parking spaces under a roof or other structure designated to the specific property and/or building.

Credit Rated (RR)

Identifies whether the tenant is an investment grade tenant with a BBB- rating or higher.

Credit Report Fee (Loan Quote)

A fee charged to obtain a credit report on the borrower or borrowing entity. A credit report is an evaluation of a person's capacity (or history) of debt repayment. Generally available for individuals from a local retail credit association; for publicly held companies by such firms as Dunn & Bradstreet; and for bonds by such firms as Moody's, Standard & Poor’s, and Fitch's.

Current Index Yield (UI)

The corresponding yield of a published interest rate, such as the Prime Rate, LIBOR, Treasury Bill / Treasury Note rate, 11th District COFI, etc. Lenders use indexes to establish interest rates charged on mortgages or to compare investment returns. A final note rate typically includes an Index Yield plus a Spread.

Current Interest Rate (Property)

If the Loan Purpose is Refinance, identifies the current interest rate of the existing mortgage note.

Current Year

The current calendar year in which the analysis takes place; generally a partial year that results in a year-to-date representation.

Dark Space

Vacated retail space. Tenant may be still paying rent but "induced" smaller tenants may exercise right to cancel leases with the major tenant goes "dark".

Date Acquired (Property)

If the Loan Purpose is Refinance, identifies the date on which the property was acquired.

Date of Last Sale (Property)

Identifies the date of the last sale or legal conveyance of the property.

Debt Coverage Ratio

Measures a mortgaged property's ability to cover monthly payments defined as the ratio of net operating income over the mortgage payments. A DCR, or DSCR (debt service coverage ratio), of less than 1.0 means that there is insufficient cash flow generated by the property to cover required debt payments.

Debt Service Coverage Ratio (UI)

Measures a mortgaged property's ability to cover monthly payments defined as the ratio of net operating income over the mortgage payments. A DSCR of less than 1.0 means that there is insufficient cash flow generated by the property to cover required debt payments.

Departmental Revenue (IE)(Hotel)

The total revenue from hotel operations that includes revenues from Food & Beverage, Telephone, Other Departmental Revenue and Other Income.

Direct Billed Expense Reimbursement

Identifies that the cost of the associated item is directly billed to the lessee; different from a tenant reimbursement.

Dirt/Gravel - Road Surfaces

Identifies the road surfaces as being dirt or gravel surfaced, and not paved with macadam, concrete, cement of other similar surfacing.

Discount Margin

The difference between the price of a security and the face amount of the security.

Discount Rate

The rate applied to each year’s cash flow from a building to determine the net present value (NPV) of a series of cash flows.

Dock Height

Identifies the height or elevation of the primary loading docks on the building; dock height loading docks facilitate the transfer of products or materials directly from a building to a vehicle (usually a truck or tractor trailer); dock height platforms typically allow a forklift to drive from the building directly on to a vehicle; often with dock levelers to provide a flush level surface.

Dock Level (Building)

Identifies the type and level of the dock facilities. In LoanSizer, options include Dock Height, At Grade, Both or Don't Know.

Ease of Ingress/Egress (Property)

Ingress - entrance; egress - exit; in LoanSizer, capacity of Ingress/Egress relates to the capacity and convenience of the entrance(s) and exit(s) of a property.

Effective Gross Income (IE)

Term used for an income-producing property, derived from the potential gross income, less a vacancy factor and a collection loss amount.

Electronic Gate Access (Building)

Gated access that secures the entrances and exits to a property.

Elevatored

Identifies that the building is serviced by an elevator.

Engineering Fee (Loan Quote)

A quoted or estimate fee to cover the cost of the engineering report or property inspection required by the lender to obtain a mortgage.

Escalator (Building)

A moving stairway consisting of steps attached to a continuously circulating belt.

Est. Market Rent (RR)

The amount for which the competitive rental market indicates property should rent. Also referred to as "economic rent." Generally, contract lease rates are "marked to market" if contract rent is greater than or less than market rent.

Est. Market Vacancy (Building)

The overall percentage of all units or space that is unoccupied or not rented in a market or sub-market. On a proforma income statement a projected vacancy rate is used to estimate the vacancy allowance, which is deducted from potential gross income to derive effective gross income.

Excess Interest/Spread

Interest received from repayments that is greater than the interest on the certificates. It is defined as the difference between the interest paid on the mortgage loans (net of servicing fees) and the interest accrued on the certificates.

Exercise Rooms (Building)

Identifies the number of exercise rooms located on the property.

Existing Loan Balance (Property)

If the Loan Purpose is Refinance, identifies the remaining principal loan balance of the existing note to be refinanced.

Exit (button)

Exits (closes) the LoanSizer program.

Expense Growth Rate (UI)

A guideline provided by LoanSizer that suggests the expense growth rate for the proposed loan. An expense growth rate is used to calculate (or "gross up") projected operating expenses when for the purpose of underwriting the income and expense cash flows; this number reflects the percentage by which the cost of each expense item are projected to increase over the following year. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results.

Expense Matrix

see MBA Coding Matrix in Table of Contents

Expense Reimbursements (IE)

Income received from the tenant as a reimbursement of expenses paid by the landlord. In a lease, an expense reimbursement clause stipulates that some or all of the operating expenses paid by the landlord are recoverable (reimburseable) from the tenant; also called expense recoveries, reimburseables, billables or pass-throughs. Recoverable expenses are deducted as expenses and (offsetting) recoveries are treated as separate revenue items in income and expense statements.

Extended Stay Primary Guest Types

Identifies that the hotel rooms are predominately occupied by long-term guests (usually one week or greater).

Extraordinary Capital Exp. (IE)

Actual major capital expenditures that were not anticipated; these expenses are typically non-recurring expenses and are generally normalized to zero.

Fannie Mae

Federal National Mortgage Association; commonly known as "Fannie Mae", the FNMA is the largest buyer of existing mortgages. The Federal National Mortgage Association was originally organized by the federal government in 1938 to purchase FHA-insured mortgages. The association was reorganized in 1968 as a quasi-private corporation whose entire ownership is private. Fannie Mae raises capital by issuing corporate stock which is actively traded on the New York Stock Exchange and by selling mortgages out of its portfolio to various investors.

Federal National Mortgage Association

Federal National Mortgage Association; commonly known as "Fannie Mae", the FNMA is the largest buyer of existing mortgages. The Federal National Mortgage Association was originally organized by the federal government in 1938 to purchase FHA-insured mortgages. The association was reorganized in 1968 as a quasi-private corporation whose entire ownership is private. Fannie Mae raises capital by issuing corporate stock which is actively traded on the New York Stock Exchange and by selling mortgages out of its portfolio to various investors.

FF&E (UI)(Hotel)

(Hotel) A guideline provided by LoanSizer that suggests the minimum required reserves for furniture, fixtures and equipment (FF&E) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and occupancy factors identified in the proposed loan.

FF&E / Cap. Ex. (IE)(Hotel)

Furniture, fixtures and equipment; an expense line item in hotel properties that represents a reserve to fund the replacement of furniture, fixtures and equipment; commonly referred to as FF&E.

FICO Score (Loan)

A credit bureau risk score produced from models developed by Fair, Isaac and Company, Inc.; commonly known as FICO scores. Fair, Isaac credit bureau scores are used by lenders and others to assess the credit risk of prospective borrowers or existing customers, in order to help make credit and marketing decisions. These scores are derived solely from the information available on credit bureau reports. Credit bureau scores are often called "FICO scores" because most credit bureau scores used in the US are produced from software developed by Fair, Isaac and Company (FICO). FICO scores are presently provided to lenders by the three major credit reporting agencies: Equifax, Experian and Trans Union.

Filed Bankruptcy (Loan)

Identifies whether a borrowing entity has filed for bankruptcy in the past. Bankruptcy - court proceedings to relieve the debts of an individual or business unable to pay its creditors. An individual, firm, or corporation who, through a court proceeding, is relieved from the payment of all debts. Bankruptcy may be declared under one of several chapters of the federal bankruptcy code.

Final Note Rate (UI)

Identifies the loan Final Note Rate that is being quoted.

Final U/W (IE)

see Final Underwritten

Final Underwritten (IE)

Income and/or expense items that have been adjusted positively or negatively to reflect a projected, or normalized, income stream. Also called "normalized underwritten." In LoanSizer, Final Underwritten is calculated automatically based on information contained in the loan file.

Fitness Center (Building)

A room or area in which exercise and other fitness-related equipment is used (e.g. weight room, Nautilus center).

Fixed Rate

A mortgage with an interest rate that remains constant for the life of the loan.

Flex Space

An Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for industrial/office purposes. A Flex space property is typically a one or two story building with little or no common areas, high ceilings, loan-bearing floors and loading dock facilities; usually configured to allow a small amount of office space in combination with light assembly or warehouse/distribution uses.

Floor-to-Area Ratio

The relationship between the total amount of floor space in a multi-story building and the base of that building. FARs are dictated by zoning laws and vary from one neighborhood to another, in effect stipulating the maximum number of stories a building may have.

FNMA/DUS Financing

A loan program through a lender designated by Fannie Mae who originates, underwrites, closes, and services Fannie Mae approved multifamily mortgage loans.

Food & Beverage Exp. (IE)(Hotel)

An expense line item for hotel properties. Food expenses represent the expenses related to food revenue, including functional areas such as breakfast, lunch and dinner restaurants, room service, carry out, lounge food, sundry/merchandise, banquet food and kitchen. This item includes food cost of sales, salaries and wages, payroll taxes and benefits, and other related expenses such as advertising, china/glass/silver, cleaning supplies, contract cleaning/labor, decorations, entertainment, equipment rental, glass/plastic supplies, guest satisfaction/supplies/transportation, happy hour appetizers, in-room entertainment, kitchen fuel, laundry allocation, licenses, linen, menus, miscellaneous, napkins, office supplies, operating supplies, over/(short), paper supplies, preparation supplies, printed supplies, promotion, telephone admin., training materials, uniforms, etc. Beverage expenses represent the expenses related to beverage revenue (bar and banquet bar), including beverage cost of sales, salaries and wages, payroll taxes and benefits, and other related expenses such as advertising, Cable TV, china/glass/silver, cleaning supplies, contract cleaning/labor, decorations, entertainment, equipment rental, glass/plastic supplies, guest satisfaction/supplies/transportation, happy hour appetizers, in-room entertainment, laundry allocation, licenses, linen, menus, miscellaneous, napkins, office supplies, operating supplies, over/(short), paper supplies, printed supplies, promotion, telephone admin., training materials, uniforms, etc.

Food & Beverage Revenues (IE)(Hotel)

A revenue line item for hotel properties. Food & Beverage revenues represent the income from functional areas such as breakfast, lunch and dinner restaurants, room service, carry out, lounge food, sundry/merchandise, banquet food and kitchen and all beverage revenue (bar and banquet bar).

Food and Beverage

In hotel operations, when the food and beverage department is managed independently from the general hotel operations.

Foreclosure

The process by which a mortgagee (lender) takes back a property on which the mortgagor (borrower) has defaulted. A servicer may take over a property from a borrower on behalf of a lender. A property usually goes into the process of foreclosure if payments are more than 90 days past due.

Franchise Affiliated (Building)(Hotel)

(Hotel) A franchise agreement allows the hotel to operate under a particular brand name and assures the hotel will be competently managed. Most hotels rely on their franchise agreement to give the property a brand name, to identify and define the service the hotel sells, and to produce a large percentage of its reservations. Franchises, or flags, include Holiday Inn, Marriott, Hilton, Comfort Inn, etc.

Franchise Fees (IE)(Hotel)

An expense line item representing the undistributed expenses (fees) related to the franchise including royalties, national advertising, and administration of frequent guest stay or similar programs. These fees can include part of an initial purchase requirement plus an ongoing percentage of gross sales of the business.

Franchise Name (Building)(Hotel)

(Hotel) The name of the franchise (e.g. Holiday Inn, Marriott, Hilton, Comfort Inn, etc.)

Freddie Mac

Federal Home Loan Mortgage Corporation.

Free Standing Retail

A Retail property subtype in which the property is occupied by one tenant and the property is utilized for retail purposes; fast-food franchises and high-scale retail stores are often free-standing buildings; sometimes called "big-box"; typical gross building area ranges from 2,000 to 100,000 square feet.

Freight Elevator (Building)

An elevator used to carry freight, typically separate from a passenger elevator. Elevators should be adequate in terms of speed, load capacity, safety, number, and they should be able to meet peak period demands. Appraisers judge the adequacy of elevators using established standards (e.g. one elevator per 25,000-40,000 square feet of GBA). Elevator service impacts the overall functionality of the property.

Full Recourse

Identifies whether the lender accepts full-recourse loan requests from the LendingApps matching engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Full Service - Luxury Hotel

A Full Service Hotel property subtype typically has a full array of services available to the traveler. The extent of these amenities varies, depending on the type of the hotel/motel (star rating, etc.), particular chain, etc. However, at a bare minimum, the property should offer: on-site restaurant or dining facilities; meeting or banquet rooms; swimming pool; and 24-hour lobby/front desk. Other amenities frequently found in full-service facilities include: business centers; one or more retail shops to serve guests; more extensive health clubs; and transportation to and from airports or other nearby destinations. Floor plans of the guest rooms vary the most of any type of hotel property, from basic guest rooms, to "junior" suites, to larger suites suitable for VIP parties. This type of property is usually the most susceptible to profitability pressure, due to the fact that there are relatively high operating costs, due to the full service nature of the property, while the same time there is pressure on revenues, due to the fact that the property often competes with limited service properties in close proximity, which can charge lower room rates. This subtype typically ranges from 500-room resorts to 300-room all-suite hotels. Luxury hotels would include Crowne Plaza, Doubletree, Embassy Suites, Hilton, Hyatt, Marriott, Omni, Radisson, Residence Inns, Sheraton, Stouffer Hotels, Sonesta and Westin, in addition to a wide array of well-known independent hotels.

Full Service - Midscale Hotel

A Full Service Hotel property subtype typically has a full array of services available to the traveler. The extent of these amenities varies, depending on the type of the hotel/motel (star rating, etc.), particular chain, etc. However, at a bare minimum, the property should offer: on-site restaurant or dining facilities; meeting or banquet rooms; swimming pool; and 24-hour lobby/front desk. Other amenities frequently found in full-service facilities include: business centers; one or more retail shops to serve guests; more extensive health clubs; and transportation to and from airports or other nearby destinations. Floor plans of the guest rooms vary the most of any type of hotel property, from basic guest rooms, to "junior" suites, to larger suites suitable for VIP parties. This type of property is usually the most susceptible to profitability pressure, due to the fact that there are relatively high operating costs, due to the full service nature of the property, while the same time there is pressure on revenues, due to the fact that the property often competes with limited service properties in close proximity, which can charge lower room rates. This subtype typically ranges from 200-room resorts to 100-room all-suite hotels. Mid scale hotels would include hotel types from 250-room airport locations to 100-room roadside franchise properties. Such properties may include Best Western, Clarion, Days

Inn, Holiday Inn, Howard Johnson, Marriott Courtyard, Park Inn, Quality Inn, Rodeway Inn and Ramada Inn, as well as quality independent hotels.

Full Service - Resort Hotel

A Full Service Hotel property subtype typically has a full array of services available to the traveler. The extent of these amenities varies, depending on the type of the hotel/motel (star rating, etc.), particular chain, etc. However, at a bare minimum, the property should offer: on-site restaurant or dining facilities; meeting or banquet rooms; swimming pool; and 24-hour lobby/front desk. Other amenities frequently found in full-service facilities include: business centers; one or more retail shops to serve guests; more extensive health clubs; and transportation to and from airports or other nearby destinations. Floor plans of the guest rooms vary the most of any type of hotel property, from basic guest rooms, to "junior" suites, to larger suites suitable for VIP parties. This type of property is usually the most susceptible to profitability pressure, due to the fact that there are relatively high operating costs, due to the full service nature of the property, while the same time there is pressure on revenues, due to the fact that the property often competes with limited service properties in close proximity, which can charge lower room rates. This subtype typically ranges from 500-room resorts to 300-room all-suite hotels. Resort hotel properties are characterized as properties that are the destination and/or attraction themselves for travelers. People come to a resort for the resort itself and often for no other purpose. Usually set in locations of significant natural beauty or with other nearby dominant attractions, resorts feature the amenities of a full-service hotel property, often with additional amenities such as various sports facilities and/or swimming pools, manicured grounds and landscaping, special and/or premium entertainment offerings and guest activities of various types. There are usually adequate facilities for meetings and/or conferences, as many business functions are often held at resorts. Resorts are often clustered in close proximity to other resorts. While operating costs tend to be high at most resort properties, room revenues are usually less susceptible to pressure, due to the destination characteristics of the property and the lower sensitivity to price among most of the property's customers.

Full Service Lease

Lease structure under which the landlord pays all building expenses. Also called a Gross Lease.

Furnished Units (RR)

Identifies whether any or all units are furnished.

General & Administrative (IE)

A line item expense that includes expenses incurred in property operation. The items in this category depend on the nature of the real estate, but usually include payroll expenses to all employees whose services are essential to property operation and management, but whose salaries are not included in other specific expense categories. Also includes fees paid for any professional services contracted for or incurred in property operation, and any other general administrative expenses incurred in property operation. The salaries of property managers, rent of offices, office and general expenses, and costs for non-custodial personnel and the services needed to operate the property are also included. For Hotels - Administrative & General (Undistributed) Includes all of the managerial and operational expenses that cannot be attributed to a particular department. Components include: salaries and wages, payroll taxes, and payroll benefits. Other administrative and general expenses include: accounting services, armored car, audit/tax preparation, bad debt, bank service charges, computer services, conference/meeting expense, corporate office expense, other commissions, consulting services, contract labor, credit card charge backs and commissions, discounts, donations and contributions, dues and subscriptions, education assistance, employee relations, entertainment and meals, equipment rent, general insurance, laundry allocation, legal,

licenses, losses and damages, miscellaneous expense, office supplies, operating supplies, over/short, pager rental, partnership office expense, payroll processing fees, penalties, piped-in music, postage and shipping, postage-express delivery, printed supplies, professional services, provision for doubtful accounts, recruiting, relocation, returned checks, sales and use tax, security services, special awards, telephone administrative, training materials, travel, travel meals and lodging, and uniforms.

Ginnie Mae

Government National Mortgage Association.

Good Quality Metal General Building Exterior

Identifies the general property exterior to be constructed of good quality metal with a detailed finish or appearance.

Govt Primary Guest Types

Identifies that the hotel rooms are predominately occupied by government employees.

Grocery Anchored Retail

A Retail property subtype in which the property is occupied by one or more tenants including a grocery anchor tenant and the property is utilized for retail purposes.

Gross Building Area (Building)

The total building area; referred to as GBA; generally excluding all rental area plus any common areas (e.g. elevators, hallways, stairways, etc.).

Gross Leasable Area

The area for which tenants pay rent; referred to as GLA.

Gross Lease (RR)

Lease structure under which the landlord pays all building expenses. Also called a Full Service Lease.

Gross Reimbursement Structure

A lease structure in which the lessor is responsible for all costs of maintaining the property. Opposite of net lease, where the tenant pays these costs.

Ground Lease (Property)

A lease on undeveloped land or a lease covering the land but not improvements. Usually a net lease. In LoanSizer it identifies whether the property is encumbered by a ground lease. Ground leases may be subordinated or unsubordinated. Subordinated Ground lease - A lease in which rights of the lessor of the ground are junior to the rights of the holder of the first mortgage. Unsubordiated Ground lease - A lease in which rights of the lessor of the ground are senior to the rights of the holder of the first mortgage.

Ground Lease Expiration Date (Property)

Identifies the expiration of a ground lease encumbering or otherwise relating to the property (expressed as a date). Ground leases may be subordinated or unsubordinated.

Ground Rent (IE)

A line item expense that represents the rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. Rent paid for land in accordance with the terms of a ground lease.

Guest Corridors (Building)(Hotel)

In hotels, the area(s) through which guests gain access to sleeping rooms. In LoanSizer, options include All Interior, All Exterior, Mostly Interior, Mostly Exterior.

Health Care

A general property type or building type classification characterized by its usage for healthcare purposes. In LoanSizer, subtypes include Nursing Home, Congregate Care, Assisted Living, Other.

Heavy Industrial

An Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for heavy industrial purposes (e.g. heavy manufacturing, petroleum products, cement, junk yards, auto junk yards, rock crushing plant, steel fabrication, etc.).

Heavy Industrial Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Heavy Industrial refers to an Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for heavy industrial purposes (e.g. heavy manufacturing, petroleum products, cement, junk yards, auto junk yards, rock crushing plant, steel fabrication, etc.).

High Traffic

A count of the number of vehicles moving past a location during a period of time; usually expressed as "Average Daily Traffic" (ADT) and characterized as High, Medium or Low.

High-Rise Apts

A Multifamily subtype; a five- or more story apartment building or development; typically elevator-serviced.

Higher Scale Residential Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Higher Scale Retail includes retail properties with a higher-scale use as compared to the collateral property (e.g. a regional mall would be a higher-scale use as compared to a neighborhood strip center).

Higher Scale Retail Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Higher Scale Retail refers to retail properties with a higher-scale use as compared to the collateral property (e.g. a regional mall would be a higher-scale use as compared to a neighborhood strip center).

Highway Access (Property)

Identifies whether the property has nearby highway access. Generally, nearby when relating to highway or interstate access means within 1 mile.

Highway Visibility (Property)

Identifies whether the property is visible from a highway or interstate. For certain properties, highway or interstate visibility may increase the overall appeal and marketability of the property (e.g. hotel, high-scale retail, self-storage, etc.).

Hospital Distance (Building)

The distance (in miles) from a hospital or urgent care facility.

Hotel

A general property type or building type classification characterized by its usage as a hotel. In LoanSizer, subtypes include Full Service - Luxury, Full Service - Upscale, Full Service - Midscale, Full Service - Extended Stay, Limited Service - Midscale, Limited Service - Economy, Limited Service - Budget, Limited Service - Extended Stay.

HVAC (Building)

Heating, ventilation, air conditioning. In LoanSizer, the percentage coverage of heating, ventilating, and air-conditioning system (HVAC) in a building.

I/E Notes (IE)

Notations or comments made by the originator and/or lender to detail, explain, or otherwise comment on a specific income/expense line item.

Improvement Cost (Property)

If the Loan Purpose is Refinance, identifies the cost of the improvements (e.g. renovations, capital improvements) made to the property following the acquisition.

Improvements Made (Property)

If the Loan Purpose is Refinance, identifies the whether improvements (e.g. renovations, capital improvements) were made to the property following the acquisition.

Inadequate - Ease of Ingress/Egress

Refers to a less than adequate degree of capacity to enter and exit a property.

Inadequate Truck Turnaround

Refers to a less than adequate degree of capacity and ability for tractor-trailers to maneuver on the property; based on the size and shape of the land. For example, an odd-shaped or odd-sized parcel of land may be appropriate for an office but may provide limited functionality for industrial loading and delivery.

Included Expense Reimbursement

Identifies that the cost of the associated item is include in the base rent.

Income Subsidized (Building)

Identifies whether any of the income to the property is subsidized; rents that are partly paid by the government (e.g. Section 8 residential subsidies).

Increase of Base Yr. Expense Reimbursement

Identifies that any cost of the associated item over the base year is paid by the lessee. The base year is the year upon which a direct expense escalation of rent is based.

Index Rate (Loan Quote)

Identifies the loan Index Rate that is being quoted.

Individual

A borrowing entity such as a person and may include a borrower plus a co-borrower or co-borrowers.

Industrial

A general property type or building type classification characterized by its usage for industrial purposes. In LoanSizer, subtypes include Warehouse Single-Tenant, Warehouse Multi-Tenant, Manufacturing, Research & Development, Flex Space, Light Industrial, Heavy Industrial, Other.

Industrial Park Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. An industrial park is a development designed for specific industrial business types, which provides required appurtenances including public utilities, streets, railroad sidings, auto parking, and water and sewage facilities.

Industrial Property

A property used for light or heavy manufacturing or warehouse space. Property type also includes office/warehouse.

Industrial Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Industrial uses include Warehouse Single-Tenant, Warehouse Multi-Tenant, Manufacturing, Research & Development, Flex Space, Light Industrial, Heavy Industrial, Other.

Industrial Tenant Type

Characterizes the tenant type based on usage of the leased area; Industrial usage generally includes most uses involving industrial purposes, such as factories, manufacturing, research and development.

Industrial w/Office Tenant Type

Characterizes the tenant type based on a combination of uses of the leased area.

Institutional Property

A property used by special institutions, such as a university, hospital or a government agency. Institutional properties may be similar to other property types; however, they are designed for a specific purpose and are difficult to adapt to other uses.

Insurance (RR)

Identifies the method by which the tenant is responsible for payment or reimbursement of Insurance.

Interest Accrual Method (UI)

The method by which interest is calculated through the loan term; options include Actual 360, Annual 365, 30/360, and Actual/Actual.

Interest Calculation Method (UI)

Identifies the interest rate calculation used to determine the loan results. In LoanSizer, options include 30/360, Actual/360.

Interest Only Strip

When a mortgage interest rate exceeds the interest rate paid on the security backed by the mortgage, the excess interest is "stripped" and sold as an I/O strip; referred to as I/O Strip. The "strip" is usually described in the (notional) amount of the original security classes it was stripped from and then sold for pennies on the dollar basis. These are very volatile securities. As an example, if several loans prepay earlier than expected there many not be an interest stream to pay the interest on the "strips".

Interest Paid vs. Interest Impacted

An important clause in the CMBS structure that determines how and when losses are allocated (e.g. are losses allocated before principal is paid or after principal is paid?). This clause impacts the yield of the lowest class of certificate holders.

Interest Rate Cap

Limits the interest rate or the interest rate adjustment to a specified maximum. This protects the borrower from increasing interest rates.

Interest Rate Index (UI)

A published interest rate, such as the Prime Rate, LIBOR, Treasury Bill / Treasury Note rate, 11th District COFI, etc. Lenders use indexes to establish interest rates charged on mortgages or to compare investment returns. A final note rate typically includes an Index Yield plus a Spread.

Interest Rate Rounding (UI)

The method of rounding the components of or the final note interest rate; the rounding method returns a rounded interest rate; rounding is typically to the nearest 1/8th of one percent. In LoanSizer, options include No Rounding and Nearest 1/8th.

Interest Rate Spread (UI)

The number of basis points over a base rate index; the difference between the rate at which money can be borrowed and the rate at which it is loaned. A final note rate typically includes an Index Yield plus a Spread.

Interest Rate Type (Property)

If the Loan Purpose is Refinance, identifies the interest rate type of the existing mortgage note.

Janitorial (IE)

A line item expense representing the expenses for janitorial and cleaning expenses.

Junior Debt (Loan Quote)

A mortgage that is subordinate to the claims of a prior lien or mortgage; a second mortgage.

Land Area (Property)

The total land area included with the property; expressed in acres. One acre equals 43,560 square feet.

Last Sale Price (Property)

Identifies the sale price or other legal consideration at the last sale of the property.

Laundry Rooms (Building)

Identifies the number of laundry facilities located on the property.

Laundry/Vending Income (IE)

Income from laundry and/or vending operations on the property.

Lease Assignment

An agreement between the commercial property owner and the lender that assigns lease payments directly to the lender. Otherwise, lease payments would be to the owner who would then forward mortgage payments to the lender. In a CMBS, lease payments would go directly to the servicer. A form of credit enhancement.

Lease Expire (RR)

Identifies the date on which the lease ends or expires, excluding any lease options or other conditions that allow an escape from the lease encumbrance.

Lease Options (RR)

Identifies whether any lease renewal options are included in the lease agreement. A renewal option allows the tenant to extend the lease for one or more prescribed periods of time and are frequently in short- and long-term leases. Renewal options are binding on the lessor, but allow the tenant to reach a decision in light of circumstances prevailing at the time of the renewal. Thus, they are generally considered favorable to the tenant, not the lessor.

Lease Start (RR)

The date on which the lease encumbrance begins; may be the date of physical occupancy as indicated in the lease.

Leased Area (RR)

Identifies the total net leased area of the tenant; the total area encumbered by the lease agreement as indicated in a lease or lease abstract; expressed as square feet.

Leasehold Improvements

The cost of improvements for a leased property,. often paid by the tenant.

Leasing Commission - New (LA)

A fee paid by the property owner or the tenant to a real estate broker or leasing agent for services rendered; typically paid by a property owner for attracting and securing a new tenant. Usually calculated as a percentage (1% to 6%) of the entire lease payments, paid in increments during the lease term.

Leasing Commission - Renewal (LA)

A fee paid by the property owner or the tenant to a real estate broker or leasing agent for services rendered; typically paid by a property owner at the time of a lease renewal. Usually calculated as a percentage (1% to 6%) of the entire lease payments, paid in increments during the lease term.

Leasing Commissions (IE)

A line item expense that represents a fee(s) paid by the property owner or the tenant to a real estate broker or leasing agent for services rendered; typically paid by a property owner for attracting and securing a new tenant. Usually calculated as a percentage (1% to 6%) of the entire lease payments, paid in increments during the lease term.

Legal Fee (Loan Quote)

A quoted or estimate fee to cover the cost of the legal services required by the lender to obtain a mortgage.

Lender Name

The company name of the Lender.

Lender Overrides

Manual positive and/or negative overrides made to the income and/or expenses by the lender/underwriter; used to normalize or adjust a particular income or expense line item. In LoanSizer, an Lender Override will override the calculations used to normalize the line item.

Letter of Interest (Report)

A LoanSizer report populated with loan information used by loan originators to provide a preliminary loan quote or expression of interest to a borrower; also referred to as an "Expression of Interest."

Level 'A' Deficiency (Building)(Healthcare)

Level "A" is a classification, deficiency or violation relating to nursing homes that creates a condition relating to the operation and maintenance of a nursing home that presents a substantial probability that death or serious mental or physical harm to a resident may occur as a result of the deficiency.

Light Industrial

An Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for light industrial purposes (e.g. warehouse, light assembly, public utility plants, wholesale, motor vehicle assembly or repair, heavy equipment garages, distribution centers, mini-warehouses for storage, etc.).

Light Industrial Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Light Industrial refers to an Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for light industrial purposes (e.g. warehouse, light assembly, public utility plants, wholesale, motor vehicle assembly or repair, heavy equipment garages, distribution centers, mini-warehouses for storage, etc.).

Limited or General Partnership

A borrowing entity structured as a partnership in which there is at least one partner who is passive and limits liability to the amount invested, and at least one partner whose liability extends beyond monetary investment.

Limited Service - Economy Hotel

A Limited Service Hotel property subtype is typically characterized by standardized accommodations, little or no extra services available to guests and a discounted price. Frequently, these properties are part of a limited-service division of a major hotel chain. They offer a value-conscious alternative to full-service hotels for travelers not needing restaurants, etc. Limited-service hotels have experienced tremendous growth over the past 10 years.This would include franchise hotels such as Comfort Inn, Hampton Inns, Homewood Suites, Holiday Inn Express, La Quinta Motor Inn, Shoney's, Budgetel Inns, Econo Lodge, Fairfield Inn, Knights Inn, Nendels, Red Carpet Inn, Red Roof Inns, Sleep Inns, Super 8 Motels, Travelodge, Friendship Inns and Motel 6, in addition to numerous independent properties in this market.

Limited Service - Extended Stay Hotel

A Limited Service Hotel property subtype is typically characterized by standardized accommodations, little or no extra services available to guests and a discounted price. Frequently, these properties are part of a limited-service division of a major hotel chain. They offer a value-conscious alternative to full-service hotels for travelers not needing restaurants, etc. Limited-service hotels have experienced tremendous growth over the past 10 years.Extended stay properties offer basic accommodations catering primarily to long-term guests (one week or greater). They usually are basic in nature, offer few, if any, amenities, and are promoted on the basis of price, functionality and convenience. Most properties of this type offer only one floor plan, usually a kitchenette-type unit, and a telephone and television in the rooms. The properties also feature a long-term rate (weekly and/or monthly), and are often utilized by long-term employees in the area, people relocating to the area, or others needing longer-term accommodations at a reasonable price. Operating costs tend to be lower with this type of property, due to the limited services provided, and the semi-residential nature of the property.

Limited Service - Midscale Hotel

A Limited Service Hotel property subtype is typically characterized by standardized accommodations, little or no extra services available to guests and a discounted price. Frequently, these properties are part of a limited-service division of a major hotel chain.

They offer a value-conscious alternative to full-service hotels for travelers not needing restaurants, etc. Limited-service hotels have experienced tremendous growth over the past 10 years.Mid scale hotels would include hotel types from 250-room airport locations to 100-room roadside franchise properties. Such properties may include Best Western, Clarion, Days Inn, Holiday Inn, Howard Johnson, Marriott Courtyard, Park Inn, Quality Inn, Rodeway Inn and Ramada Inn, as well as quality independent hotels.

Live Update (Menu)

A LoanSizer function that synchronizes certain data with the LendingApps Matching Engine or Internet Process Engine; used to electronically submit loan requests to participating lenders and for LoanSizer product updates and service releases.

LLC

Limited Liability Company; a borrowing entity structured as a company wherein the restriction of one's potential losses to the amount invested. The absence of personal liability. Provided to stockholders in a corporation and limited partners of a limited partnership.

Loading Docks (Building)

A platform or platforms at which trucks or trains load or unload cargo.

Loan Amortization

Indicates the requested Loan Amortization (in years); the period of time over which principal and interest payments are scheduled. For example, a loan with a 10-year term and a 25-year amortization will have a balloon payment at the end of 10 years.

Loan Amount (Loan Quote)

Identifies the loan amount that is being quoted.

Loan Amount (Loan)

Identifies the requested loan amount.

Loan Assumption (Loan Quote)

The act of taking over the previous borrower's obligation of a mortgage note. Assumptions may be advantageous if the terms of the mortgage are advantageous and they are not changed by the lender when the mortgage is assumed.

Loan Maturity Date (Property)

If the Loan Purpose is Refinance, identifies the date on which the existing mortgage note expires or is called.

Loan Name (Loan)

Identifies the loan name that is shown on the Main Loan List; an easily recognizable or descriptive name; typically a street address or property name (e.g. "100 Main Street" or "Commerce Center Mall").

Loan Package (Menu)

A LoanSizer wizard that enables the creation of multiple reports that can be printed, E-mailed or saved as various file types. In LoanSizer, the Loan Package Wizard enables you to create a loan package in HTML format that can be E-mailed to recipients directly from the LoanSizer program (requires an Internet connection to send via E-mail).

Loan Purpose (Loan)

The purpose of the loan request. In LoanSizer, options include Purchase, Refinance or Construction.

Loan Term (Loan Quote)

Identifies the loan term that is being quoted.

Loan Term (UI)

Indicates the requested Loan Term (in years). The period of time over which the loan is repaid (e.g. a loan with a 10-year term and a 25-year amortization will have a balloon payment at the end of 10 years).

Loan Type (UI)

Identifies the requested loan type; options include Fixed or Variable.

Loan-to-Value Ratio (UI)

The ratio between the principal amount of the mortgage balance, at origination or thereafter, to the current value of the underlying real estate collateral; referred to as LTV. The ratio is commonly expressed to a potential borrower as the percentage of value a lending institution is willing to finance. The ratio is dynamic and varies by lending institution, property type, geographic location, property size, among other things.

Lock-Box Provision

The trustee is given control over the gross revenues of the underlying properties in a CMBS. Property owners only have claim to cash flows net of expenses. Expenses include debt service, taxes, insurance and other operating expenses.

Loss to Lease

The difference between the market rental rate for a property and the rent being paid for a similar property. It is an indicator of the changing market conditions. For example, if a property was leased for a one-year term at $1,000 per month and currently the market is getting $1,100 per month on similar properties, the loss to lease is $100 per month. Also called Free To Lease Difference.

Low Traffic

A count of the number of vehicles moving past a location during a period of time; usually expressed as "Average Daily Traffic" (ADT) and characterized as High, Medium or Low.

Low-Rise Garden Apts

A Multifamily subtype; a one-, two- or three-story apartment building or development with 5 or more apartments characterized by a garden-like setting and its location in a town or unincorporated developed area in a close proximity to a city. Suburbs, largely residential, are often dependent on the city for employment and support services; generally characterized by low-density development relative to the city; usually one to three story structures in a suburban or rural-urban fringe development.

Lower Scale Residential Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Lower Scale Retail includes retail properties with a lower-scale use as compared to the collateral property (e.g. a neighborhood strip center would be a lower-scale use as compared to a regional mall).

Lower Scale Retail Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Lower Scale Retail refers to retail properties with a lower-scale use as compared to the collateral property (e.g. a neighborhood strip center would be a lower-scale use as compared to a regional mall).

Exits the open loan file and returns the user to the Main Loan List; exits the open loan file without saving any additions or changes made to the open loan file.

Maintenance (IE)(Hotel)

An expense line item that represents all expenses for the general repairs and maintenance of the building including common areas and general upkeep. Includes both in-house payroll and contracted services. Repairs and maintenance expense includes payroll, elevator, HVAC, electrical and plumbing, structural/roof, trash removal, and other repairs and maintenance expense items.

Mall - Regional

A Retail property subtype in which the property is an enclosed shopping center with multiple retail tenants which draws from a large trade area of 12 or more miles and is occupied by two or more department stores connected by a group of in-line retail stores; typical gross building area ranges from 400,000 to 1 million square feet.

Mall - Super Regional

A Retail property subtype in which the property is an enclosed shopping center with multiple retail tenants which draws from a large trade area of 12 or more miles and is occupied by four or more anchor tenants; typical gross building area ranges from 750,000 to 2 million square feet and is situated on 85+ acres of land.

Management (RR)

Identifies the method by which the tenant is responsible for payment or reimbursement of Property Management Fees.

Management Fees (IE)

A line item expense that represents the sum paid for management services; a variable operating expense. Management services may be contracted for or provided by the property owner. Management expenses may include supervision, on-site offices or apartments for resident managers, telephone service, clerical help, legal or accounting services, printing and postage, and advertising. Management fees may occasionally be included among recoverable operating expenses.

Manufacturing

An Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for manufacturing purposes.

Market Rent

The amount for which the competitive rental market indicates property should rent. Also referred to as "economic rent." Generally, contract lease rates are "marked to market" if contract rent is greater than or less than market rent.

Masonry General Building Exterior

Identifies the general property exterior to be constructed of stone, brick, tile, cement, concrete or similar materials.

Master Servicer

Required to service mortgage loans collateralizing a CMBS on behalf of, and for the benefit of, certificate holders. Responsibilities vary according to the servicing agreement. Common responsibilities include a) collection of mortgage payments and delivery of the funds to the trustee; b) advancement of any late payments to the trustee; c) provision of mortgage performance reports to bond holders; and d) transfer of all loans that become non-performing to the special servicer.

Max Loan Size

Main (Button)

Identifies the maximum requested loan amount a member lender is willing to accept from the LendingApps matching engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Max. Amortization (UI)

The maximum number of periodic installments (expressed in years) over which repayment of a mortgage debt is calculated; a portion of each payment consists of a blend of interest and amortization of principal. For example, if a loan has a 25 year amortization schedule and a 10 year term, a balloon payment of the outstanding principal will be due at the end of the tenth year.

Max. Loan to Cost (UI)

The ratio between the principal amount of the mortgage balance, at origination or thereafter, to the current value (or cost of construction if a construction loan) of the underlying real estate collateral. The ratio is commonly expressed to a potential borrower as the percentage of value a lending institution is willing to finance. The ratio is dynamic and varies by lending institution, property type, geographic location, property size, among other things.

Max. LTV % (UI)

A guideline provided by LoanSizer that suggests the maximum allowable loan to value (LTV) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results.

Max. LTV (UI)

Identifies the maximum loan to value ratio (LTV) a member lender is willing to accept from the LendingApps Internet process engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Maximum Loan (UI)

Displays the maximum calculated loan based on the net cash flow subject to the underwriting parameters indicated in the loan file.

Maximum Occupancy (UI)(Hotel)

(Hotel only) A guideline provided by LoanSizer that suggests the maximum allowable annual occupancy percentage, based on the ratio of total occupied rooms to total available rooms, for the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate the maximum room revenue.

Meals Income (IE)(Healthcare)

Income from food preparation and/or kitchen operations associated with healthcare facilities.

Medical Office

An Office property subtype in which the property is occupied by one or more tenants and the property is utilized for medical office purposes (e.g. physician/dentist offices, medical laboratory, outpatient clinic, etc.).

Medical Office Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. A Medical Office property classification refers to a

property that is occupied by one or more tenants and the property is utilized for medical office purposes (e.g. physician/dentist offices, medical laboratory, outpatient clinic, etc.).

Medicare/Medicaid (IE)(Healthcare)

Income from patient beds occupied by Medicare/Medicaid sponsored healthcare patients.

Medium Traffic

A count of the number of vehicles moving past a location during a period of time; usually expressed as "Average Daily Traffic" (ADT) and characterized as High, Medium or Low.

Meeting Rooms (Building)(Hotel)

In hotels, meeting rooms are designated rooms where private functions or events are held.

MHP 3 Star

A 4-Star MHP subtype is typically characterized by attractive accommodations and offers some amenities and services; generally occupied by a mix of doublewide and singlewide units in good condition.

MHP 4 Star

A 4-Star MHP subtype is typically characterized by high quality of accommodations, amenities and services and located in good neighborhoods; occupied primarily by doublewide homes in good condition, skirted and have concrete patios or raised porches with commercial steps, along paved streets; if older, these parks may have been regarded as 5 Star parks at one time.

MHP 5 Star

A 5-Star MHP subtype is typically characterized by excellent and deluxe accommodations including a wide range of amenities and services; homes are usually set back from curbed, paved streets, enhanced with sidewalks, streetlights and signs, and landscaping; well-located in a desirable neighborhood and accessible to retail and community services; occupied primarily by late model, doublewide and modular homes in excellent condition; off-street parking is usually available for up to 2 cars per home and most offer uniform commercial carports.

Mid-Rise Apts

A Multifamily subtype; a four- or more story apartment building or development; typically elevator-serviced.

Military Housing

A Multifamily subtype; a multifamily or multi-unit dwelling primarily occupied by military personnel; leases often contain a clause which allows the tenant to terminate the lease without penalty if and when the tenant is transferred to another location.

Military Housing (Building)

Identifies whether the property is occupied by military personnel. In commercial underwriting, properties that are occupied by military personnel may experience variations of vacancy and rental income. In multifamily underwriting, clauses may be included in leases that allow the tenant to terminate the lease without penalty if and when the tenant is transferred to another location. Demographically, areas exhibiting poor occupancies, low rents, plant or military base closings, or low sales may result in lower appraised values.

Min Loan Size

Identifies the minimum requested loan amount a member lender is willing to accept from the LendingApps matching engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Min. DSCR (Lender default)

Identifies the minimum debt service coverage ratio (DSCR) a member lender is willing to accept from the LendingApps Matching Engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Min. DSCR (Suggested) (UI)

A guideline provided by LoanSizer that suggests the minimum allowable debt service coverage ratio (DSCR) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results.

Min. DSCR (UI)

Minimum debt service coverage ratio. The minimum ratio of effective annual net operating income to annual principal and/or interest payments. Also called "debt service coverage (DSC)" and typically written as 1.25x, where x represents the number of times the annual debt service must be exceeded to achieve the target DSCR; a constraint to maximum loan amount. Both Lenders and Investors calculate this ratio to assist them in determining the likelihood of the property generating enough income to pay the mortgage payments. From the lender's viewpoint, the higher the ratio, the better.

Min. Management Fee (UI)

A guideline provided by LoanSizer that suggests the minimum required property management fee reserve for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results.

Min. Occupancy (Lender default)

Identifies the minimum physical property occupancy a member lender is willing to accept from the LendingApps Matching Engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Min. Repl. Res. (UI)

A guideline provided by LoanSizer that suggests the minimum required replacement reserves (or capital expenditures) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. Replacement reserves are various account(s) maintained (typically by the Lender) to provide funds for anticipated expenditures required to maintain a building. A reserve account usually is required by a lender in the form of an escrow to pay upcoming taxes and insurance costs. A replacement reserve is usually an amount set aside from net operating income to pay for the eventual wearing out of short–lived assets; monthly deposits that a lender may require a borrower to a reserve in an account, along with principal and interest payments for future capital improvements of major building systems (e.g. HVAC, parking lot, carpets, roof, etc.). Replacement reserves are typically calculated on a per unit basis (e.g. multifamily - per unit; office, retail, industrial - per square foot; etc.).

Min. TI/LC Costs (UI)

A guideline provided by LoanSizer that suggests the minimum required reserves for tenant improvement and leasing commission replacement reserves (TILC) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. Tenant Improvements refers to the expense to physically improve the property to attract new tenants to new or vacated space which may include new improvements or remodeling. May be paid by tenant, lessor, or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. The tenant must pay for amounts above the TI allowance desired by the tenant. A Leasing Commission is an amount, usually a percentage of the total lease transaction, earned by a real estate broker or leasing agent for his services. Combined, the annual projected cost of tenant improvements and leasing commissions (TILC's) are deducted from the net operating income prior to determining the net cash flow available for debt service coverage.

Min. Vacancy Reserve (UI)

A guideline provided by LoanSizer that suggests the minimum required vacancy and collection loss reserve for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. The vacancy and collection loss rate is the percentage of all units or space that is unoccupied, not rented or from which there is no rental income. On a pro-forma income statement a projected vacancy rate is used to estimate the vacancy allowance (both physical and economic), which is deducted from potential gross income to derive effective gross income.

Minimum DSCR Threshold (UI)

The Minimum DSC Threshold sets the minimum ratio of effective annual net cash flow to annual debt service utilized when calculating tenant improvement and leasing commission costs. This threshold is utilized to analyze projected annual cash flow deficiencies resulting from TI & LC expenditures over the loan term. Generally, a minimum threshold margin of 1.10x is desired. Lenders use this ratio to assist them in determining the likelihood of a negative cash flow event as a result of TI & LC costs during the term of the loan. See TI/LC Stress DSCR.

Mixed Use

A general property type or building type classification characterized by its multiple uses; a real estate development that contains two or more different uses all intended to be harmonious and complementary (e.g. a high-rise building with retail shops on the first two floors, office space on floors three through ten, apartments on the next ten floors, and a restaurant on the top floor). In LoanSizer, building types available for mixed-use analysis include office, retail, industrial, multifamily and healthcare. Hotel and self-storage properties are analyzed as single-purpose properties.

Mixed Use Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Mixed-use includes properties that contain two or more different uses all intended to be harmonious and complementary (e.g. a high-rise building with retail shops on the first two floors, office space on floors three through ten, apartments on the next ten floors, and a restaurant on the top floor).

Mobile Home Park

A general property type or building type classification characterized by its usage as a mobile home park. In LoanSizer, subtypes include MHP 1 Star, MHP 2 Star, MHP 3 Star, MHP 4 Star, MHP 5 Star, Other.

Mobile Home Units for Sale (Building)

Identifies the percentage of mobile home units available for sale on the collateral property.

Mod. Gross (RR)

Lease structure under which the landlord and tenant pay different or allocated expenses; a lease in which the landlord receives stipulated rent and the payment of the property's operating expenses are divided between the lessor and lessee via specified terms in the lease; also called Net-Net (Double Net), depending on the degree to which the tenant or landlord are responsible for operating costs.

Mod. Gross Reimbursement Structure

A lease structure in which the lessor is responsible for a portion of the costs of maintaining the property; typically, the tenant pays the other percentage of the costs.

Mortgagee

The lender in a mortgage transaction.

Mortgagor

The borrower in a mortgage transaction who pledges property as a security for a debt.

Mostly Exterior Guest Corridors

Identifies that most, not all, of the corridor area(s) through which guests gain access to sleeping rooms are exterior (e.g. walkways that are subject to weather conditions.

Mostly Interior Guest Corridors

Identifies that most, not all, of the corridor area(s) through which guests gain access to sleeping rooms are interior and enclosed (e.g. walkways that are not subject to weather conditions).

Mostly Paved - Road Surfaces

Identifies most of the road surfaces as being paved with macadam, concrete, cement or other similar surfacing.

Multi-family Property

A general property type or building type classification characterized by its usage for multifamily residential purposes. In LoanSizer, subtypes include Low-Rise Garden Apartments, Mid-Rise Apartments, High-Rise Apartments, Student Housing, Military Housing, Townhouse style, Co-op, Other.

Multi-family Property - Class A (Building)

Properties are above average in terms of design, construction and finish; command the highest rental rates; have a superior location in terms of desirability and/or accessibility; and generally are professionally managed by national or large regional management companies.

Multi-family Property - Class B (Building)

Properties frequently do not possess design and finish reflective of current standards and preferences; construction is adequate; command average rental rates; generally are well-maintained by national or regional management companies; and unit sizes are usually larger than current standards.

Multi-family Property - Class C (Building)

Properties provide functional housing; exhibit some level of deferred maintenance; command below average rental rates; usually located in less desirable areas; generally managed by smaller, local property management companies; tenants provide a less stable income stream to property owners than Class A and B tenants.

Multifamily

A general property type or building type classification characterized by its usage for multifamily residential purposes. In LoanSizer, subtypes include Low-Rise Garden Apartments, Mid-Rise Apartments, High-Rise Apartments, Student Housing, Military Housing, Townhouse style, Co-op, Other.

Nearest 1/8th

An interest rate rounding method in which the final note rate is rounded up or down to the nearest 0.125%.

Neighborhood Shopping Center (Building)

Open shopping center of less than 100,000 square feet. Tenants: Provides daily essentials and everyday services

Net Cash Flow (IE)

Total income less operating expenses, adjustments, capital expenditures, tenant improvements and leasing commissions; does not include mortgage payments.

Net Effective Rent

Rental rate adjusted for lease concessions.

Net Operating Income (IE)

Total income less operating expenses, adjustments, etc., but before mortgage payments, tenant improvements and leasing commissions.

Net Rental Area

In a building, the floor space that may be rented to tenants or the area upon which rental payments are based. Generally excludes common areas and space devoted to the heating, cooling, other equipment of a building, hallways, lobbies, elevator shafts, etc.

Net Worth (Loan)

Total assets minus total liabilities of an individual or company. For a company, also called owner's equity or shareholders' equity or net assets.

Net-Net Lease

Usually requires the tenant to pay for property taxes and insurance in addition to the rent; referred to as NN.

Net-Net-Net Lease

See Triple-Net Lease; referred to as NNN.

NNN Reimbursement Structure

A lease structure that requires the tenant to pay for property taxes, insurance and maintenance in addition to the rent (also referred to as "Triple Net Lease").

No Rounding

An interest rate calculation method in which the final note rate is not rounded.

No. Occupied Units (RR)(Multifamily)

Identifies the number of currently occupied units.

No. of Elevators (Building)

Identifies the number of elevators in a building including passenger and freight elevators.

No. of Occupied Beds (RR)(Healthcare)

Identifies the number of currently occupied beds.

No. of Pad Sites (Property)

Identifies the number of individual freestanding sites or parcels of land comprising the property; often adjacent to a larger shopping center. Pad sites are typically leased by national retailers and fast food restaurants; usually structured as long-term ground leases in which the improvements (buildings) are commonly leasehold improvements (owned by the tenant).

No. of Parking Spaces (Building)

The total number of designated parking spaces available at the building or on the property; includes all surface spaces and garage structure spaces.

No. of Stories (Building)

The number of stories (or floors) in a building; if multiple buildings, enter the greatest number of stories of all buildings.

No. of Vacant Beds (RR)(Healthcare)

Identifies the number of currently vacant beds.

No. of Vacant Units (RR)(Multifamily)

Identifies the number of currently vacant units.

Non Recourse

Identifies whether the lender accepts non-recourse loan requests from the LendingApps matching engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Non-Recourse (UI)

A mortgage in which the lender will not pursue personal liability against the borrower. The lender's security is the real estate being financed. Usually subject to standard carveouts including fraud and misrepresentation.

Notice of Default

To initiate a non-judicial foreclosure proceeding involving a public sale of the real property securing the deed of trust, the trustee under the deed of trust records a Notice of Default and Election to Sell the real property collateral in the public records.

Number of Buildings (Property)

Identifies the number of buildings on the property; including outbuildings.

Number of Docks (Building)

Identifies the number of loading docks on the property. A dock is an elevated floor or platform, usually at dock height (truck bed) or at grade (freight floor height) above ground, to facilitate the transfer of goods to or from a vehicle. Generally, facilities for loading and unloading trucks and freight cars may be important to retail and industrial buildings. In LoanSizer, options include Dock Height, At Grade, Both or Don't Know.

Number of Pad Sites (Property)

Identifies the number of pad sites on the property. Generally, a pad site is an allocated section of land (either subdivided, unsubdivided or assembled) that is leased as vacant land upon which the lessee constructs a building; a land lease (e.g. free-standing Fast food restaurants located adjacent to a regional mall that shares the same parking area).

Nursing Home

A Healthcare subtype; an entity that provides skilled nursing care and rehabilitation services to people with illnesses, injuries or functional disabilities. Most facilities serve the elderly. However, some facilities provide services to younger individuals with special needs such as the developmentally disabled, mentally ill, and those requiring drug and alcohol rehabilitation. Nursing homes are generally stand alone facilities, but some are operated within a hospital or retirement community.

Nursing Stations (Building)

An area or room in a health care facility where the nursing and medical staff are centrally located.

Nursing/Medical Income (IE)

Income from nursing and medical services associated with healthcare facilities.

Occupancy(IE)(Hotel)

Annual occupancy expressed as a percentage, based on the ratio of total occupied rooms to total available rooms.

Occupied Date (tenant)

Identifies the first date on which the tenant physically occupied the leased area.

Office

A general property type or building type classification characterized by its usage for office purposes. In LoanSizer, subtypes include Suburban Garden Office, Suburban High Rise, Medical Office, CBD Office.

Office Only Sprinklered

Identifies whether only office areas of the building are sprinklered; a sprinkler system is typically an automatic fire-suppression system with an audible alarm and that disperses an area with water or fire retardant from overhead sprinklers when excessive heat and/or smoke is detected. Fire systems are typically wet, dry or chemical systems.

Office Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Office uses include most uses involving the carrying on of business.

Office Tenant Type

Characterizes the tenant type based on usage of the leased area; Office usage generally includes most uses involving the carrying on of business.

Operating Expense Ratio (IE)(Hotel)

The ratio of total operating expenses, excluding debt service, to effective gross income. Also, a comparison of the operating expenses to potential gross income. This ratio can be compared over time and with that of other properties to determine the relative operating efficiency of the property considered.

Option Terms (RR)

Identifies the length of time of the prescribed period or periods as stipulated in the lease agreement.

Originator Overrides

Manual positive and/or negative overrides made to the income and/or expenses by the originator; used to normalize or adjust a particular income or expense line item. In LoanSizer, an Originator Override will override the calculations used to normalize the line item.

Originator U/W (IE)

A column that displays the calculated income and expense results adjusted by the underwriting parameters specified in the loan file; also referred to as "normalized underwritten".

Other Anchored Retail

A Retail property subtype in which the property is occupied by one or more tenants including at least one anchor tenant and the property is utilized for retail purposes.

Other Borrower Type

A borrowing entity other than a Corporation, LLC, Trust, Limited or General Partnership or Individual.

Other Departmental Revenue (IE)(Hotel)

Income from all departments including Room Revenue, Food & Beverage, Telephone and Other Departmental Revenue.

Other Expenses (IE)

An expense line item that includes items not specifically associated with other expense line items.

Other Income (IE)

Income from sources not specifically associated with other named income sources.

Other Real Estate Owned

A term used primarily by commercial banks to identify real estate on the books that was taken back through foreclosure of a mortgage loan. The term “Other” REO is used by banks to distinguish foreclosure real estate from bank real estate owned (REO) which is corporate real estate assets. Typically, the real estate industry uses the term REO for foreclosed real estate.

Outbuilding (Building)(Hotel)

A building or structure that supports the primary use of the property (e.g. in hotels, an outbuilding may include a health club, maintenance garage, service building, etc.).

Outlet Center

A Retail property subtype in which the property is occupied by multiple outlet-type or discounter tenants grouped together in one setting; these centers may attract bargain shoppers.

Overall Appearance & Marketability (Building)

In LoanSizer, used to describe the overall appearance and marketability of the property as it relates to other comparable properties in the market or submarket; factors include actual and effective age, structural and aesthetic appeal, physical condition, functional utility, etc.

Owner Occupied (RR)

Identifies whether all or part of the property is occupied by the owner or any agent or representative of the owner. In commercial underwriting, owner-occupied space may be marked to market if there is a difference between contact rent and market rent.

Pad - Ground Tenant Type

Characterizes the tenant type based on usage of the leased area; a parcel of land subdivided from a larger parcel upon which a lessee constructs a building; pad sites are typically located around shopping malls and in high-scale retail areas. Generally, pad sites are located close to a street or freeway or close to an entrance or exit of a mall or shopping center.

Pad - Improved Tenant Type

Characterizes the tenant type based on usage of the leased area; a parcel of land subdivided from a larger parcel upon which is improved a freestanding building or buildings; pad sites are typically located around shopping malls and in high-scale retail areas. Generally, pad sites are located close to a street or freeway or close to an entrance or exit of a mall or shopping center.

Pad Sites (Property)

Individual freestanding sites or parcels of land comprising the property; often adjacent to a larger shopping center. Pad sites are typically leased by national retailers and fast food restaurants; usually structured as long-term ground leases in which the improvements (buildings) are commonly leasehold improvements (owned by the tenant).

Parking Income (IE)

Income from parking and garage operations associated with the property.

Partial Recourse

Identifies whether the lender accepts partial-recourse loan requests from the LendingApps matching engine; completed by the lender. This entry can be modified by the lender at any time from the Lender Administration screen.

Partial Recourse (UI)

A combination of recourse and non-recourse conditions in a loan.

Partially Sprinklered

Identifies whether only portions of the property are sprinklered; a sprinkler system is typically an automatic fire-suppression system with an audible alarm and that disperses an area with water or fire retardant from overhead sprinklers when excessive heat and/or smoke is detected. Fire systems are typically wet, dry or chemical systems.

Passenger Elevator (Building)

An elevator used to carry people, typically separate from a freight elevator. Elevators should be adequate in terms of speed, load capacity, safety, number, and they should be able to meet peak period demands. Appraisers judge the adequacy of elevators using established standards (e.g. one elevator per 25,000-40,000 square feet of GBA). Elevator service impacts the overall functionality of the property.

Payroll & Benefits (IE)

A line item expense that includes the payroll and benefits expenses of all employees involved in the operation of a property, but whose salaries/wages are not included in other specific expense categories.

Percentage Lease (RR)

Commonly used for large retail stores. Rent payments include a minimum or “base rent” plus a percentage of the gross sales “overage”. Percentages generally vary from one to six percent of the gross sales depending on the type of store and sales volume.

Percentage Rent (IE)

Rent, computed as a percentage of retail sales above a breakpoint, paid by tenants under typical retail leases. Usually paid instead of or in addition to a specified minimum base rent; commonly used for large retail stores. Rent payments include a minimum or "base rent" plus a percentage of the gross sales "overage." Percentages generally vary from 1% to 6% of the gross sales depending on the type of store and sales volume. Overage rent is percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of specified breakeven sales volume.

Percentage Subsidized (RR)

Identifies the percentage of scheduled gross rental income that is subsidized.

Permanent Loan

A mortgage loan, usually covering development costs, interim loans, construction loans, financing expenses, and marketing, administrative, legal, and other costs. This loan differs from the construction loan in that financing goes into place after the project is constructed and open for occupancy. It is a long-term obligation, generally for a period of 10 years or more.

Phase I

An assessment and report prepared by a professional environmental consultant which reviews the property - both land and improvements - to ascertain the presence or potential presence of environmental hazards at the property such as underground water contamination, PCB’s, abandoned disposal of paints and other chemicals, asbestos and a wide range of other potentially damaging materials. This Phase I Environmental Site Assessment ("ESA") provides a review and makes a recommendation as to whether further investigation is warranted (a Phase II Environmental Site Assessment). This latter report would confirm or disavow the presence of an environmental hazard and, should one be found, will recommend additional review and/or mitigation efforts that should be undertaken.

Physical Property Inspection (Property)

Identifies whether the property has been physically inspected by the originator.

Playgrounds (Property)

Identifies the number of playgrounds located on the property.

Points

Points are a one time charge assessed at closing by the lender to incrcapacity the lender's earnings on mortgage loans. One point equals 100 basis points, or 1% of the loan. Referred to as a "par loan" if no points are charged by the lender.

Pooling and Servicing Agreement

A legal contract defining the responsibilities and the obligations for management of a CMBS particularly for the Master Servicer and the Special Servicer. This primary document governs and controls much of the CMBS process. Also abbreviated as PSA, not to be confused with the Public Securities Association which is also known as PSA.

Pools

Identifies the number of swimming pools located on the property.

Power Shopping Center (Property)

Open shopping center of 100,000 - 325,000 square feet. Tenants: At least two (usually more) anchor stores.

Preliminary Title Fee

A quoted or estimate fee to cover the cost of the title documents and services required by the lender to obtain a mortgage.

Prepayment Lockout (Loan Quote)

The number of periods during which the borrower is restricted from prepaying the mortgage loan; typically expressed in years or months. In order to reduce prepayment risk, commercial mortgages commonly have lockout periods and/or prepayment premiums or yield maintenance. A prepayment penalty is paid by the borrower for any prepayments made on a mortgage loan if required under the loan documents. The premium is usually set at a fixed rate which, at times, decrease in steps as the loan matures. For example, a mortgage loan can have a premium of 5% for the first seven years and during the next five years the premium decreases at a rate of 1% per year (4% in year eight, 3% in year nine); after year twelve, there is no prepayment premium.

Prepayment Privilege

The privilege or right given by the mortgagee (lender) to the mortgagor (borrower) that allows prepayment all or part of a mortgage debt before it is due.

Primary Guest Type (Building)(Hotel)

For hotels, identifies the primary type of guests. In LoanSizer, options include Business, Government, Traveler, Business or Vacation, Business/Economy, Extended Stay, Other.

Prime Rate

An index rate; a published interest rate (or interpolation of rates) usually corresponding to the current yield of a US Treasury note or bond, Prime Rate, LIBOR, etc. The Final Note Rate is typically equal to the sum of the index rate plus the spread. Index rate yields are typically published in daily papers by financial information services (e.g. Wall Street Journal, Bloomberg).

Private Pay (IE)(Healthcare)

Income from patient beds occupied by patients paying with cash or private insurance.

Processing Fee

A fee, charged by a lender, to prepare all the documents associated with your mortgage.

Professional Fees (IE)

An expense line item that includes all fees and expenses associated with legal, accounting, data processing and auditing costs.

Professionally Managed

Identifies whether the property is managed by an unrelated professional management company.

Property Class

A general classification of real property based on design, construction and finish. In LoanSizer, options include Class A, Class B, Class C and Class D.

Property Insurance (IE)

An expense line item that includes all fees relating to property and casualty and other related insurance costs associated with the property.

Property Name (Property)

Identifies the property name that is displayed on the Property List; an easily recognizable or descriptive name; typically a street address or property name (e.g. "100 Main Street" or "Commerce Center Mall"). The default name is the Loan Name.

Property Subtype (Property)

Identifies the property or "building" subtype; subcategorization that further describes the building type.

Property Type (Property)

Indicates the general property type. In LoanSizer, options include Office, Multifamily, Mobile Home Park, Retail, Industrial, Healthcare, Self Storage, Hotel and Mixed Use.

Proposed DSCR (Loan Quote)

Identifies the debt service coverage ratio that is being quoted on the requested loan.

Proposed LTV (Loan Quote)

Identifies the loan to value ratio that is being quoted on the requested loan.

Prorata Expense Reimbursement

Identifies that the cost of the associated item is allocated between the lessor and lessee based on the lessee's proportionate share of net rental area (e.g. to prorate real property taxes or insurance).

Public Sewer Service (Property)

Identifies whether the property is serviced with public sewer.

Public Water Service (Property)

Identifies whether the property is serviced with public water.

Purchase

An event resulting in the conveyance of real estate. In LoanSizer, the purpose for which the loan request is being completed; options include Purchase, Refinance, Construction.

Purchase Price (Property)

If the Loan Purpose if Purchase, identifies the purchase price for the property.

Purge Deleted Loans (Menu)

Permanently destroys the loan with "Deleted" status.

Qualified Institutional Buyer

A QIB is defined within the meaning of Rule 144A under the Securities Act. A QIB must have a minimum net worth, be involved in and knowledgeable of the risks of the investment and investors for their own account or for the account of another QIB. Most CMBS can only be sold to QIBs.

Qualified Mortgage

This includes any obligation (including any participation or certificate of beneficial ownership interest therein) which is principally secured by an interest in real property and which is either (I) transferred to the REMIC on the startup date, or (ii) purchased by the REMIC within the three month period beginning as of the startup day (except as provided in any regulations published) is pursuant to a fixed price contract in effect on the startup day. Additional obligations qualifying as secured by real property for the purposes of being termed a Qualified Mortgage include 1.) obligations secured by stock held by tenants-stockholder in a cooperative housing corporation, 2.) debt securities backed by

mortgages on timeshare ownership interests in a condominium development, and 3.) REMIC regular interest (not residual interest) transferred to the REMIC on the startup day in exchange for any interest in the REMIC.

Qualified Reserve Asset

An intangible asset held for investment as part of a “qualified reserve fund” which is defined in the Code as any reasonably required reserve to provide for full payment of expenses of the REMIC or amounts due on regular interests in the event of defaults on qualified mortgages or lower than expected returns on cash flow investments. The creditworthiness of the qualified mortgages and the extent and nature of any guarantee are factors to be considered in determining the reasonableness of the amount of reserve. The reserve must be reduced timely as payments on the qualified mortgages are received.

Quotation Date (Loan Quote)

Identifies the date on which the Loan Quote is made.

Quote Expiration Date (Loan Quote)

Identifies the date on which the Loan Quote expires.

Rate Index (Loan Quote)

Identifies the index corresponding to the yield of a published interest rate, such as the Prime Rate, LIBOR, Treasury Bill / Treasury Note rate, 11th District COFI, etc. Lenders use indexes to establish interest rates charged on mortgages or to compare investment returns. A final note rate typically includes an Index Yield plus a Spread.

Real Estate Investment Trust

A business entity formed to invest in real estate, mortgages and/or securities backed by real estate. REITs are required to pass through 95% of taxable income to their investors and are not taxed at the corporate level. The three major types of REITs are equity, mortgage and hybrid, with equity being the dominant type; referred to as REIT.

Real Estate Mortgage Investment Conduit

A vehicle, created by the Tax Reform Act of 1986, which permits the sale of interests in mortgage loans in the secondary market. It is a pass-through entity that can hold loans secured by real property and issue multiple classes or investors without the regulatory, accounting and economic obstacles inherent with other forms of mortgage-backed securities; referred to as REMIC.

Real Estate Owned

The term used to describe real property collateral to which title has been taken back by the mortgagee (trust by way of beneficial ownership) through foreclosure or deed in lieu of foreclosure.

Real Estate Taxes (IE)

An expense line item that includes all fees relating to real property (real estate) taxes associated with the property.

Real Estate Taxes (RR)

Identifies the method by which the tenant is responsible for payment or reimbursement of Real Estate Taxes.

Recourse (UI)

A type of mortgage loan in which the lender's remedies in the event of borrower default are unlimited, extending beyond the property to the borrower's personal assets.

Recourse Options (UI)(Loan Quote)

Options that determine the type of mortgage loan in which the lender's remedies in the event of borrower default are either limited or unlimited, and may extend beyond the property to the borrower's personal assets. In LoanSizer, options include Recourse, Non-Recourse, or Partial Recourse. Recourse - A type of mortgage loan in which the lender's remedies in the event of borrower default are unlimited, extending beyond the property to the borrower's personal assets. Non-Recourse - A mortgage in which the lender will not pursue personal liability against the borrower. The lender's security is the real estate being financed. Usually subject to standard carveouts including fraud and misrepresentation. Partial Recourse - a combination of recourse and non-recourse conditions.

Recreational Area (Property)

An area suited for games, dancing, or other kinds of recreation.

Recreational Property

A property designed for a very specialized use. Property types include sports arenas, country clubs, marinas, etc.

Refinance

An event resulting in a refinance of an existing mortgage note. In LoanSizer, the purpose for which the loan request is being completed; options include Purchase, Refinance, Construction.

Refinance (Loan)

A Loan Purpose; to provide new financing or new financing for, as by discharging a mortgage with the proceeds from a new mortgage obtained at a lower interest rate.

Regional Shopping Center (Property)

Enclosed shopping center of 400,000 - 800,000 square feet. Tenants: At least two anchor stores.

Reimbursement (RR)

(Reimbursement Structure) A payment or accounting structure in which the cost for utilities and/or services incurred by the tenant is paid to the provider by the lessor and subsequently reimbursed, usually on a prorata basis, by the tenant. Typically, the associated item is allocated between the lessor and lessee based on the lessee's proportionate share of net rental area (e.g. utilities, real property taxes, insurance).

Reimbursement Basis (RR)

Identifies the structure by which the tenant reimburses the landlord for expenses relating to the leased area; options include NNN, Gross, or Modified Gross.

Renewal Probability (LA)

The probability that the tenant will renew or extend the lease term for one or more prescribed periods, expressed as a percentage from 0% to 100%. For example, a 65% renewal probability represents that the there is a 65% chance that the tenant will renew the lease; resulting in a 35% rollover probability.

Rent Roll Start Date (UI)

Identifies the date from which Tenant Improvement and Leasing Commissions are calculated. By default, this date is the date on which the loan file was created.

Rent Step-Up

A lease agreement in which the rent increases every period for a fixed amount of time or for the life of the lease.

Repairs & Maintenance (IE)

A line item expense that represents all expenses for the general repairs and maintenance of the building including common areas and general upkeep. Includes both in-house payroll and contracted services. Repairs and maintenance expense includes payroll, elevator, HVAC, electrical and plumbing, structural/roof, trash removal, and other repairs and maintenance expense items. Repairs & Maintenance can be provided in total or broken down by the following subcategories: 1. Payroll - The expense of all employees involved in on-going property repairs and maintenance, but whose salaries/wages are not included in other specific expense categories. 2. Elevator - The expense of the contract and any additional expenses for elevator repairs and maintenance. This expense item may also include escalator repairs and maintenance. 3. HVAC – The expense of the contract and any additional expenses for heating, ventilation and air-conditioning systems. 4. Electrical & Plumbing - The expense of all repairs and maintenance associated with the property's electrical and plumbing systems. 5. Structural/Roof - The expense of all repairs and maintenance associated with the property's building structure and roof. 6. Trash Removal - The expense of garbage removal services. 7. Other Repairs & Maintenance - The cost of any other repairs and maintenance items not specifically included in other expense categories.

Replacement Reserves (IE)(UI)

A guideline provided by LoanSizer that suggests the minimum required replacement reserves (or capital expenditures) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. Replacement reserves are various account(s) maintained (typically by the Lender) to provide funds for anticipated expenditures required to maintain a building. A reserve account usually is required by a lender in the form of an escrow to pay upcoming taxes and insurance costs. A replacement reserve is usually an amount set aside from net operating income to pay for the eventual wearing out of short–lived assets; monthly deposits that a lender may require a borrower to a reserve in an account, along with principal and interest payments for future capital improvements of major building systems (e.g. HVAC, parking lot, carpets, roof, etc.). Replacement reserves are typically calculated on a per unit basis (e.g. multifamily - per unit; office, retail, industrial - per square foot; etc.).

Research & Development

An Industrial property subtype in which the property is occupied by one or more tenants and the property is utilized for research & development purposes.

Reserve Funds

A portion of the bond proceeds that are retained to cover losses on the mortgage pool. A form of credit enhancement. Also called reserve accounts. Residual refers to any cash flow remaining after the liquidation (full pay off) of all classes of securities in. a CMBS. Multiple-Asset, Multiple Class CMBS frequently have a residual.

Residual Interest

Every REMIC must have one and only one class of residual interests, although there may be multiple owners of residual interests. All distributions of residual interests must be prorated; however, a residual interest does not have to entitle the holder to any fixed or minimum, distributions in order to qualify as such. Residual interests may accrue income or cash flow in several ways including 1) the rate(s) differential between the underlying mortgages and the REMIC regular interests, 2) income or cash flow resulting from over-

collateralization, 3) buy down reserves, sinking funds or prepaid insurance, and 4) income from qualified reserve funds or cash flow investments in excess of what is required to service regular interests.

Resort Area (Property)(Hotel)

A place or geographical area (e.g. city, county, region) where tourism substantially contributes to the local economy; a place frequented by people for relaxation or recreation (e.g. beach resort, ski resort).

Restaurants (Building)

Identifies the number of restaurants on the property.

Retail

A general property type or building type classification characterized by its usage for retail purposes. In LoanSizer, subtypes include Grocery Anchored Retail, Other Anchored Retail, Free Standing Retail, Strip Center - Anchored, Strip Center - Unanchored, Mall - Super Regional, Mall - Regional, Regional Center, Unanchored Retail, Single Tenant Investment Grade, Single Tenant Non-Investment Grade, Outlet Center, Other.

Retail Property

Property types range from super regional shopping centers with a gross leasable area greater than one million square feet to small stores with single tenants. See Shopping Center.

Retail Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Retail uses include general retail uses including Grocery Anchored Retail, Other Anchored Retail, Free Standing Retail, Strip Center - Anchored, Strip Center - Unanchored, Mall - Super Regional, Mall - Regional, Regional Center, Unanchored Retail, Single Tenant Investment.

Retail Tenant Type

Characterizes the tenant type based on usage of the leased area; Retail usage generally includes most uses involving the sale of goods to consumers.

RevPAR

(Revenue per Available Room) is calculated by either (1) dividing net booked revenue by total available room nights, or (2) multiplying occupancy by average daily rate. A macro measurement to determine the amount of money a hotel earns for each room available.

Road Surfaces (Property)

Identifies the primary road surfaces on the collateral property. In LoanSizer, options include All Paved, Mostly Paved, Some Paved, Dirt/Gravel or Other.

Rollover Probability (LA)

The probability that the tenant will not renew or extend the lease term at the time of lease expiration, expressed as a percentage from 0% to 100%. For example, a 35% rollover probability represents that the there is a 35% chance that the tenant will not renew the lease; resulting in a 65% renewal probability.

Room Exp. (IE)(Hotel)

An expense line item for hotel properties. The expenses related to room revenue, equipment rental, and public meeting room revenue, including functional areas such as the front office, reservations, housekeeping, laundry, uniform service, complimentary breakfast and bar. This item includes salaries and wages, payroll taxes and benefits, and

other related expenses such as cable TV, china/glass/silver, cleaning supplies, complimentary food & beverage, contract cleaning/labor/laundry, cost of food/beverage, decorations, entertainment, equipment rental, glass/plastic supplies, guest satisfaction/supplies/transportation, happy hour appetizers, in-room entertainment, laundry allocation/supplies, linens, miscellaneous, office supplies, operating supplies, over/(short), paper supplies, printed supplies, promotion, reservations assessment, telephone admin., training materials, travel agent commissions, uniforms, VIP expense, walk expense, etc.

Room Revenue (IE)(Hotel)

A revenue line item for hotel properties. The income related to room revenue, equipment rental, and public meeting room revenue, including functional areas such as the front office, reservations, housekeeping, laundry, uniform service, complimentary breakfast and bar.

Rooms with Kitchen (Building)

In hotels, rooms with kitchens may include a refrigerator, stove/oven, dishwasher, etc.

Save All (button)

Saves any additions/changes made to the open loan file.

SBA Financing

Financing provided or guaranteed in part by the Small Business Administration; usually requires that the owner occupy at least 51% of the collateral property.

Security Gates (Property)

Identifies the number of security gates located on the property.

Self Storage

A general property type or building type classification characterized by its usage for self storage purposes (also called Mini-Storage); provides personal storage for lease by consumers.

Senior Housing (Building)

Identifies whether the property is occupied by senior citizens (age 55 or over).

Servicer

Institution acting for the benefit of the certificate holders in the administration and servicing of mortgage loans in the CMBS. Functions include reporting to the Trustee, collecting payments from borrowers, advancing funds for delinquent loans, negotiating workouts or restructures (as permitted by the PSA), taking defaulted loans through the foreclosure process, and liquidating defaulted loans and REO.

Sewage Adjacent (Property)

Identifies whether the property is located adjacent to a Sewage or Waste Treatment Facility.

Similar Residential Surrounding Land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Similar Residential includes residential dwellings similar to the collateral property.

Similar Retail Surrounding land Use

Identifies the general land use of the surrounding and/or adjacent properties in comparison to the collateral property. Similar Retail includes retail buildings similar to the collateral property.

Single Tenant Investment Grade

A Retail property subtype in which the property is net leased to one investment grade tenant (BBB- rating or higher) and the property is utilized for retail purposes.

Single Tenant Non-Investment Grade

A Retail property subtype in which the property is net leased to one non-investment grade tenant (BBB- rating or lower) and the property is utilized for retail purposes.

Some Paved - Road Surfaces

Identifies some of the road surfaces as being paved with macadam, concrete, cement or other similar surfacing.

Special Purpose Corporation

A bankruptcy-remote entity established by the borrower whose sole asset is the property of properties being financed. The SPC protects the lender from having the underlying property(ies) become involved in bankruptcy proceedings against other assets of the borrower of the property. Also known as SPE (Special Purpose Entity) with other than corporate owners.

Specialty Center

A Retail property subtype in which the property is occupied by the power center group (e.g. Sports Authority, Levitz Furniture to other "category killer" stores).

Sprinklered (Building)

Identifies whether all areas of the building are sprinklered; a sprinkler system is typically an automatic fire-suppression system with an audible alarm and that disperses an area with water or fire retardant from overhead sprinklers when excessive heat and/or smoke is detected. Fire systems are typically wet, dry or chemical systems. Expressed as a percentage.

Standard & Poor's

Standard & Poor's Rating Service is one of the four primary rating agencies and is a division of McGraw-Hill Companies, Inc.; referred to as S&P.

Strip Center - Anchored

A Retail property subtype in which the property is occupied by one or more anchor tenants and the main thoroughfares are bordered by an almost continuous row or strip of retail stores and allied service establishments; any shopping area that consists of a row of stores. An anchor tenant is a well-known commercial retail business such as a national chain store or regional department store strategically placed in a shopping center so as to generate the most amount of customers for all of the stores located in the shopping center; typical gross building area ranges from 50,000 to 100,000 square feet.

Strip Center - Unanchored

A Retail property subtype in which the property is occupied by multiple tenants of which none are anchor tenants, and the main thoroughfares are bordered by an almost continuous row or strip of retail stores and allied service establishments; any shopping area that consists of a row of stores. An anchor tenant is a well-known commercial retail business such as a national chain store or regional department store strategically placed in a shopping center so as to generate the most amount of customers for all of the stores

located in the shopping center; typical gross building area ranges from 50,000 to 100,000 square feet.

Structure

Refers to the tax and legal structure of a CMBS such as a pass-through structure, a bond structure, a Collateralized Mortgage Obligation (CMO) or a Real Estate Mortgage Investment Conduit (REMIC). The “structure” can determine the tax benefits, or penalties, and the rights of the CMBS holders and the issuer in the event of a failure or default within the terms of the security. Most CMBS are senior/subordinated, multiple class pass-throughs classified as REMICs.

Student Housing

A Multifamily subtype; a multifamily or multi-unit dwelling primarily occupied by students (e.g. college students).

Student Housing (Building)

Identifies whether the property is occupied by students. In commercial underwriting, properties that are occupied by students may experience seasonal variations of vacancy and rental income.

Subject-To Conditions (Loan Quote)

Identifies the conditions or stipulations under which a loan may be assumed.

Subordinated Ground Lease (Property)

A lease in which rights of the lessor of the ground are junior to the rights of the holder of the first mortgage.

Suburban Garden Office

An Office subtype characterized by a garden-like setting and its location in a town or unincorporated developed area in a close proximity to a city. Suburbs, largely residential, are often dependent on the city for employment and support services; generally characterized by low-density development relative to the city; usually one to three story structures in a suburban or rural-urban fringe development.

Suburban High Rise

An Office subtype characterized typically by a high number of stories that requires an elevator and its locations in a town or unincorporated developed area in a close proximity to a city. Suburbs, largely residential, are often dependent on the city for employment and support services; generally characterized by low-density development relative to the city; usually a four-story or higher structure in a suburban or rural-urban fringe development.

Suite # (RR)

Identifies the suite number or other identifying name or reference to the tenant.

Super-Regional Shopping Center (Building)

Enclosed shopping center of More than 800,000 square feet. Tenants: At least three anchor stores.

Superadequate - Ease of Ingress/Egress

Refers to an excellent degree of capacity to enter and exit a property. Superadequacy refers to a greater capacity or quality than a prudent purchaser or owner would include or would pay for under current similar market conditions.

Superadequate - Exterior Lighting

Refers to an excellent quality and amount of exterior building lighting or yard lighting.

Superadequate Truck Turnaround

Refers to an excellent degree of capacity and ability for tractor-trailers to maneuver on the property; based on the size and shape of the land. For example, an odd-shaped or odd-sized parcel of land may be appropriate for an office but may provide limited functionality for industrial loading and delivery. Superadequacy refers to a greater capacity or quality than a prudent purchaser or owner would include or would pay for under current similar market conditions.

Surrounding Land Use (Property)

Identifies the surrounding land use in comparison to the collateral property.

T-111 Exterior (Building)

Textured plywood siding; an inexpensive exterior wall surface both commercial and residential structures.

Telephone Expense (IE)(Hotel)

An expense line item for hotel properties. The expenses related to local and long distance phone service, and other telecommunications services, including telephone cost of sales, salaries and wages, payroll taxes and benefits, and other related expenses such as contract labor, equipment rental, laundry allocation, miscellaneous, office supplies, operating supplies, telephone admin., training materials, uniforms, etc.

Telephone Revenue (IE)(Hotel)

A revenue line item for hotel properties. The income related to local and long distance phone service, and other telecommunications services.

Tenant Improvement Costs-New (LA)

The expense to physically improve the property to attract new tenants to new or vacated space which may include new improvements or remodeling. May be paid by tenant, landlord, or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. The tenant must pay for amounts above the TI allowance desired by the tenant.

Tenant Improvement Costs-Renewal (RR)

A fee paid by the property owner or the tenant to a real estate broker or leasing agent for services rendered; typically paid by a property owner at the time of a lease renewal. Usually calculated as a percentage (1% to 6%) of the entire lease payments, paid in increments during the lease term.

Tenant Improvements

Improvements or renovations made to the property to attract new tenants to new or vacated space which may include new improvements or remodeling. May be paid by tenant, landlord or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. Amounts above the TI allowance that the tenant wants must be paid for by the tenant.

Tenant Improvements (IE)

The expense to physically improve the property to attract new tenants to new or vacated space which may include new improvements or remodeling. May be paid by tenant, landlord, or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. The tenant must pay for amounts above the TI allowance desired by the tenant.

Tenant Name (RR)

Identifies the name of the tenant; and editable field. If entering vacant space, identify the unit and select the "Check if Vacant" option.

Tenant Type (RR)

Identifies the use type of the tenant. In LoanSizer, an editable field that includes several options in a dropdown menu.

Tennis Courts (Building)

Identifies the number of tennis courts located on the property.

Terminal LTV (UI)

The ratio of the proposed loan amount to the value of an investment at the end of a period (usually the conclusion of the loan term) taking into account a specified rate of interest; provides an indication of refinance risk.

TI Costs - New (RR)

The expense to physically improve the property to attract new tenants to new or vacated space which may include new improvements or remodeling. May be paid by tenant, landlord, or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. The tenant must pay for amounts above the TI allowance desired by the tenant.

TI Costs - Renewal (RR)

The expense to physically improve the property to attract existing tenants to renew or extend the lease term for one or more periods, which may include new improvements or remodeling. May be paid by tenant, landlord, or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. The tenant must pay for amounts above the TI allowance desired by the tenant.

TI/LC

A guideline provided by LoanSizer that suggests the minimum required reserves for tenant improvement and leasing commission replacement reserves (TILC) for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. Tenant Improvements refers to the expense to physically improve the property to attract new tenants to new or vacated space which may include new improvements or remodeling. May be paid by tenant, lessor, or both. Typically, tenants are provided with a market rate TI allowance ($/sq. ft.) that the owner will contribute towards improvements. The tenant must pay for amounts above the TI allowance desired by the tenant. A Leasing Commission is an amount, usually a percentage of the total lease transaction, earned by a real estate broker or leasing agent for his services. Combined, the annual projected cost of tenant improvements and leasing commissions (TILC's) are deducted from the net operating income prior to determining the net cash flow available for debt service coverage.

TI/LC Stress DSCR (UI)

The ratio of net operating income over the annual mortgage payment, where the calculated net cash flow includes reserves for the projected costs of tenant improvements and leasing commissions (TI/LC costs). This threshold is utilized to analyze projected annual cash flow deficiencies resulting from TI & LC expenditures over the loan term. Generally, a minimum threshold margin of 1.10x is desired. Lenders use this ratio to assist them in determining the likelihood of a negative cash flow event as a result of TI & LC costs during the term of the loan. See also TI/LC.

Total Capital Items (IE)

The total of all capital expense items relating to the property; line item expenses on a profit and loss statement that would not be expensed on an annual basis. This category would include replacement of major building systems, such as roofs, etc.

Total General Expenses (IE)(Hotel)

The total of all general expenses including real estate taxes, property insurance, utilities, repairs and maintenance, franchise fees, management fees, payroll and benefits, advertising and marketing, professional fees, general and administrative, ground rent and other general expenses.

Total Land Area (Property)

Identifies the total land area of the property; expressed in acres. One acre equals 43,560 square feet.

Total No. of Rooms (Building)(Hotel)

The total number of available guest rooms in a hotel or hospitality.

Total Operating Expenses (IE)

The calculated total for all operating expenses.

Townhouse style

A Multifamily subtype; a one-, two- or three-story apartment dwelling; typically a row house on a small lot which has exterior limits common to other similar units. Title to the unit and its lot is vested in the individual buyer with a fractional interest in common areas, if any.

Traffic (Property)

Identifies the overall traffic flow at the property. Generally, traffic volume may be advantageous or disadvantageous to a property, depending on other conditions that affect its highest and best use. High-volume local traffic in commercial areas is usually an asset; heavy through traffic is deleterious to most retail stores, except those that serve travelers; high volume commercial traffic may have a negative impact on residential properties. The volume of traffic is typically determined by a traffic count, which is usually obtained from local or state transportation departments.

Trailing 12 Months (IE)

Information from only the 12 months preceding the month of the analysis. In LoanSizer, the income and expenses realized during the past 12 months from the month in which the loan file was created; used to calculate the most recent 12 months, often used to determine net cash flow for multifamily and hotel properties.

Tranche

A term applied to describe classes of CMBS securities, i.e., "AAA" Tranche”.

Traveler Primary Guest Types

Identifies that the hotel rooms are predominately occupied by guests traveling along a route towards a destination (usually one-night stays).

Truck Turn around Adequacy (Property)

Determines the adequacy of truck and tractor trailer maneuverability; important when analyzing industrial buildings and other building types that require delivery and loading of product.

Trust

A borrowing entity structured wherein a fiduciary relationship whereby legal title to a property is transferred to a trustee with the intention that such property be administered by the trustee for the benefit of another, the beneficiary, who holds equitable title to such property.

Unanchored Retail

A Retail property subtype in which the property is occupied by multiple tenants of which none are anchor tenants and the property is utilized for general retail purposes. An anchor tenant is a well-known commercial retail business such as a national chain store or regional department store strategically placed in a shopping center so as to generate the most amount of customers for all of the stores located in the shopping center.

Uncovered Parking Spaces (Building)

Parking spaces without a roof or other structure designated to the specific property and/or building.

Unit Density (Property)

Identifies the physical unit density on the collateral property. In LoanSizer, unit density is the ratio of pads per acre; options include < 10 pads, 10 pads, or > 10 pads.

Unlicensed Beds (Building)

A nursing home or similar facility that provides health care services unlicensed by the state in which the facility is located.

Unsubordinated Ground Lease

A lease in which rights of the lessor of the ground are senior to the rights of the holder of the first mortgage.

Utilities (IE)

The total of all utility expenses relating to the property; typically includes gas, electricity, oil, etc.

Vacancy & Collection Loss (IE)

A guideline provided by LoanSizer that suggests the minimum required vacancy and collection loss reserve for the proposed loan. LoanSizer bases this guideline on numerous factors including property type, loan amount, proposed loan to value and debt service coverage, and numerous physical, financial and tenancy factors identified in the proposed loan. Unless manually adjusted by the Originator or Lender, LoanSizer uses this guideline as the default value to calculate loan results. Vacancy and Collection Loss is the percentage of all units or space that is unoccupied, not rented or from which there is no rental income. On a normalized or pro-forma income statement a projected vacancy rate is used to estimate the vacancy allowance (both physical and economic), which is deducted from potential gross income to derive effective gross income; also, an estimated amount reflecting probable vacancy, non-payment of rent by tenants, and any other income loss. These funds are set aside to cover either expected or unanticipated income losses.

Vacant Space (RR)

Identifies whether the leased area is vacant. If checked, LoanSizer will account for this leased area as net rental area and will multiply the estimated market rent times the vacant area when calculating the Potential Gross Income (PGI). See also Check if Vacant Space.

Validate (Menu)

Enables the validation module when the open loan file is committed; the validation module checks the status of all mandatory fields to assess the completeness of the loan file for submission to the matching engine; also "Validate on Save".

Value of Last Appraisal (Property)

The concluded estimated market value from the last appraisal completed on the collateral property.

Variable Rate

A mortgage with an interest rate that changes periodically, according to an index that is selected when the mortgage is issued. The initial interest rate is lower than that of fixed-rate mortgages, but monthly payments can increase or decrease as the rate is adjusted.

Warehouse Multi-Tenant

An Industrial property subtype in which the property is occupied by two or more tenants and the property is utilized for warehouse purposes.

Warehouse Single-Tenant

An Industrial property subtype in which the property is occupied by one tenant and the property is utilized for warehouse purposes.

Warehouse Tenant Type

Characterizes the tenant type based on usage of the leased area; Industrial usage generally includes most non-manufacturing uses, such as warehouse.

Wood General Building Exterior

Identifies the general property exterior to be constructed of wood (possibly with minimal brick or stone veneer).

Year Constructed (Building)

The year(s) in which the collateral property received any significant renovations or capital expenditures.

Year Renovated

The year(s) in which the collateral property received any significant renovations or capital expenditures.