



Griffin Capital Funding Program Guidelines



Please take a moment to review these guidelines as it will help you determine loan eligibility and save you time.

Contained in this document you will find detailed program guidelines regarding our secondary market program. This document contains hyperlinks which can automatically direct you to [loan forms](#) and our [rate sheet](#) if you are reading this in an electronic format. If you are reading this in hard copy, you can visit www.ysploans.com to access any necessary forms.

Submission Process:

We make the loan submission process as easy as possible for you and do **not** want to burden you with excessive paperwork. We realize that as a loan originator your focus should be sales and service and not on hours of paperwork. As such, there are two ways to get the loan submission process started:

1) I have a new loan request but am not sure if it is eligible

Simply complete and submit our one page [Lightning Quote](#) form and either fax to (540) 548-1117 or email to sales@ysploans.com. A loan analyst will contact you upon review to let you know if it is eligible. If so you will be directed to step 2 below.

2) I have an eligible loan request and want to submit the full file

As a way of protecting our referral sources we generate our [Commercial Loan Application](#) in a generic, broker friendly format. This is a writeable PDF document that you can forward to your borrower for completion. The first page provides a list of necessary items depending on the loan type, the second page is our general information form, and the remaining pages contain any supporting forms that you may need. Simply fax to (540) 548-1117 or email to sales@ysploans.com. A loan analyst will contact you upon review to walk you through the rest of the process.

Should you have a question that this material does not address feel free to call (800) 710-6762 Opt 4 or email your question to sales@ysploans.com.



Griffin Capital Funding Product Summary Sheet

	Conventional Owner Occupied	Multi-Use Investor	Special-Use Investor	SBA 504 <i>(Our Speciality!)</i>
Max Loan Amount	Multi Use up to \$4mm Special Use up to \$2.5mm	Up to \$4mm	Up to \$2.5mm	Multi Use up to \$6mm Special Use up to \$4.5mm
Max LTV	65% for multi use 55% for special use	Up to 65%	55%	50%
Max CLTV	Up to 90% with seller carry	Up to 80% with seller carry	Up to 80% with seller carry	Up to 90% With SBA debenture
Max Amort	25 yrs	20 yrs	20 yrs	25 yrs on 1st TD 20 yrs on 2nd TD
Minimum Credit	660	660	660	660
Acceptable Markets	urban/suburban	urban/suburban	urban/suburban	urban/suburban
Preferred Traits	Stabilized businesses 3+ years of operation Multi use < 100,000 sq ft	Warehouse, office medical office, manufacturing	Better than average property condition	Stabilized businesses 3+ years of operation
Minimum injection	10%	20%	20%	10%
Minimum DSC	1.25X multi use 1.40X special use	1.40X	1.40x	1.25X multi use 1.30X special use
Experience Req	Prior management and/or ownership preferred	Prior ownership required	Prior management and ownership required	Prior management and/or ownership required

Product Notes

Remaining economic life must be 5 years > the loan amortization
 All properties must be in average or better condition
 Downward revisions in LTV can occur based on property condition, location, credit, cash flow and other mitigating factors
 Product guidelines are subject to change. For a detailed analysis of your loan please consult with your account representative
 See eligible property list and core program underwriting guidelines for additional program information
 Construction financing available for owner occupied properties only
 Property location requires MSA of >25,000

Griffin Capital Funding
 1135 Heatherstone Drive • Fredericksburg, VA 22407
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Eligible Property Types

Owner Occupied

<ul style="list-style-type: none">▪ Office▪ Office Condo▪ Retail▪ Warehouse▪ Mixed Use▪ Assisted Living▪ Restaurant▪ Light Industrial▪ Medical Office	<ul style="list-style-type: none">▪ Automotive (no sales)▪ Daycare▪ Funeral Home▪ C-Store (No Fuel)▪ Dry Cleaner▪ Hotel/Motel*▪ Church*▪ Rural properties*▪ Multifamily*
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Investment

<ul style="list-style-type: none">▪ Office▪ Office Condo▪ Strip Center▪ Medical office▪ Mixed Use	<ul style="list-style-type: none">▪ Retail▪ Warehouse/Distribution▪ Light Industrial▪ NNN Credit Tenant▪ Self Storage
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Ineligible Property/Loan Types

Ineligible property types include but are not limited to:

<ul style="list-style-type: none">▪ Land▪ SRO Properties▪ Co-op or Timeshare▪ Adult Entertainment▪ Golf Courses▪ Auto Dealerships	<ul style="list-style-type: none">▪ Agriculturally Zoned Property▪ Property outside the U.S.▪ Mobile Home Parks▪ RV Parks▪ Loans to foreign nationals▪ Construction loans on investment real estate
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*These properties types would be syndicated to partner lenders and do not fall under our YSP program

[Link to Rate Sheet](#)

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Core Program Underwriting Guidelines

A. Conventional Owner Occupied Properties

- Owner occupied is defined as a property that is 51% or more occupied by the borrowers business
- Loan/Value Ratio not to exceed 65% (Up to 90% with seller carry).
- Up to 25 year amortization.
- Economic life of the property must exceed amortization by 5 years or more
- Minimum loan amount of \$500,000. (Smaller loans on a case by case basis). Maximum loan amount of \$4,000,000. (\$2,500,000 or less preferred)
- Minimum credit score of 660 with no recent adverse history. No prior bankruptcies or foreclosures allowed
- Minimum DSC ratio on multi use properties of 1.25x for purchase, 1.30x for refinance. Minimum DSC ratio of 1.40x for all special use properties
- Minimum of 3 years in operation with proven, competent management
- Management factor underwritten at 5%. Vacancy underwritten at the greater of actual or 10%.
- Cash out refinances not allowed unless proceeds are being used to improve the subject property, purchase other real property, or pay off other real property
- Ideally borrower has post close liquidity of 10% of the loan amount
- For refinances properties purchased within the last 5 years will be valued on their acquisition cost plus any documented improvement cost to the property

B. Multi-Use Investor

- Loan/Value Ratio not to exceed 65% (Up to 80% with seller carry).
- Up to 20 year amortization.
- Economic life of the property must exceed amortization by 5 years or more
- Minimum loan amount of \$500,000. (Smaller loans on a case by case basis). Maximum loan amount of \$4,000,000 (\$2,500,000 or less preferred)
- Minimum credit score of 660 or greater with no recent adverse history. No prior bankruptcies or foreclosures allowed
- Minimum DSC ratio of 1.40x
- In multi-tenant properties, tenancy to include diverse range of services appropriate to location
- Occupancy levels consistent with the surrounding market
- Leases with less than six months' remaining term may be eliminated or discounted.
- Rollover costs to be calculated at market levels for tenant improvements and leasing commissions
- Parking ratios at or exceeding Code Requirements
- Prior investment property ownership of commercial real estate required

- Management underwritten at 5%. Vacancy underwritten at the greater of actual or 10% depending on area.
- We are not currently funding investment real estate in AL, AR, AZ, CA, FL, GA, IN, LA, MI, MS, NV or OH
- All investor properties valued for underwriting purposes based on a minimum cap rate of 8.5%. Upward and downward adjustments made depending on property class and location
- Cash out refinances not allowed unless proceeds are being used to improve the subject property, purchase other real property, or pay off other real property
- For refinances properties purchased within the last 5 years will be valued on their acquisition cost plus any documented improvement cost to the property
- Ideally the borrower has post close liquidity of 10% of the loan amount
- **Borrower must demonstrate the ability to service a minimum of 25% or the debt service of the subject property from discretionary cash flow**

C. Special-Use Investor

- Loan/Value Ratio not to exceed 55% (Up to 80% with seller carry).
- Up to 20 year amortization.
- Economic life of the property must exceed amortization by 5 years or more
- Minimum loan amount of \$500,000. (Smaller loans on a case by case basis). Maximum loan amount of \$4,000,000 (\$2,500,000 or less preferred)
- Minimum credit score of 660 or greater with no recent adverse history. No prior bankruptcies or foreclosures allowed
- Minimum DSC ratio of 1.40x
- In multi-tenant properties, tenancy to include diverse range of services appropriate to location
- Occupancy levels consistent with the surrounding market
- Leases with less than six months' remaining term may be eliminated or discounted.
- Rollover costs to be calculated at market levels for tenant improvements and leasing commissions
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D. SBA 504 (Owner Occupied Only)

- Combined Loan/Value ratio not to exceed 90% for multi use properties with the going concern business more than 2 years in operation, 85% for multi use properties with going concern business less than 2 years in operation.
- Combined Loan/Value ratio not to exceed 85% for special use properties with the going concern business more than 2 years in operation, 80% for special use properties with going concern business less than 2 years in operation
- Up to 25 year amortization for 1st TD, 20 year amortization for 2nd TD
- Minimum credit score of 660 or greater with no recent adverse history. No historical bankruptcies or foreclosures allowed
- Minimum DSC ratio of 1.25x for multi use, 1.30x for special use
- Current or prior management or business ownership required
- Ideally the borrower has post close liquidity of 10% of the loan amount
- Borrowers required to submit 2 years proforma financials (first year broken out monthly) with supporting assumptions

[Link to Rate Sheet](#)