

SPONSOR BRIEF · COMMERCIAL FINANCING

Commercial Financing Brief

Term sheets, sponsor requirements and underwriting criteria for multifamily, mixed-use and bridge deals from \$1M to \$50M.

How commercial differs from residential

Commercial underwriting evaluates the asset's NOI, the sponsor's track record and the market. Personal income matters less; deal economics matter most.

Multifamily (5+ units)

- LTV: up to 75% (purchase), 70% (refi).
- DSCR: minimum 1.20x on a 30-year amortization.
- Term: 5/7/10-year fixed; 30-year amortization standard.
- Recourse: non-recourse with bad-boy carve-outs over \$1M loan.

Mixed-use

- Residential income must be $\geq 50\%$ of gross.
- LTV: typically 65–70%.
- Pricing premium of 25–50 bps over straight multifamily.

Bridge & value-add

- 12–36 month interest-only term.
- Up to 80% LTC (loan-to-cost) including rehab budget.
- Exit: refinance into permanent or sale.
- Pricing: SOFR + 350–600 bps depending on sponsor and asset.

Sponsor requirements

- Liquidity: 10% of loan amount post-close.
- Net worth: equal to or greater than loan amount.
- Experience: 2+ similar assets owned/operated in the last 5 years (or strong key principal).
- Credit: 680+ for principal sponsors.

Documents needed for term sheet

- T-12 operating statement and rent roll.
- Pro forma with assumptions.
- Sponsor PFS (personal financial statement) and schedule of real estate owned.

- Purchase contract (if acquisition).

Typical timeline

Term sheet: 5–10 business days. Loan application to close: **45–75 days** on stabilized assets; longer on construction or heavy value-add.

Ready to put this into action?

Book a free 30-minute strategy call. We will walk through your file, identify the right program, and define a realistic timeline. Email nayeli@range-mortgage.com or visit range-mortgage.com/contact.