

Underwriting Analysis

Loan Information

Property Type	Multifamily
Loan Purpose	Purchase
Loan Term	10 yrs
Loan Amortization	30 yrs
Loan Type	Fixed
Requested Interest Rate	7.300%
Interest Rate Index	10 Yr US Treasury
Current Index Yield	5.150%
Interest Rate Spread	2.150%
Purchase Price	\$1,900,000
Last Appraised Value	\$1,900,000

Underwriting Constraints

Max. LTV	80.0%
Min. DSCR	1.20
Min. Vacancy Reserve	5.0%
Min. Management Fee	4.0%
Interest Accrual Method	Actual 360
Interest Rate Rounding	No Rounding
TI/LC Stress DSCR	1.10
Rent Roll Start Date	1/30/2005
Avg. Lease Terms (months)	12
Expense Growth Rate (%)	3.0%
Replacement Reserve	\$ 250/Unit

Underwriting Results

Max. Loan @ Min. DSCR	\$1,558,582
Max. Loan @ Max. LTV	\$1,520,000
DSCR @ Proposed Loan ¹	1.23
LTV @ Proposed Loan ²	80.0%
Proposed Annual Debt Svc	\$126,307
Proposed Monthly Pymnt	\$10,526
Balloon @ Maturity	\$1,309,263

Value Analysis

Direct Capitalized Value ³	\$1,900,000
Direct Capitalization Rate	8.50%
Value at Market Cap	\$1,828,425
Cap Rate @ Appr. Value	
Requested LTV ⁴	80.5%
Est. Terminal LTV	68.9%
Loan Constant	0.08310
Purchase Price Cap	8.18

Loan Conclusion

Requested Loan	\$1,530,000
Max. Allowable Loan ⁵	\$1,520,000

Calculations Notes

1. DSCR @ Proposed Loan (NCF / Annual Debt Svc)
2. LTV @ Proposed Loan (NOI - Cap Ex / Cap Rate)
3. Cap Calculations based on (NOI - Cap Ex)
4. LTV Calculations based on (NOI - Cap Ex)
5. Max. Allowable Loan is the lesser of Max. Loan @ Max. LTV, Max. Loan @ Min. DSCR or Requested Loan.

Operating Statement

Loan Name Multifamily Sample
 Borrower Name Matthew Partners
 Property Type Multifamily

Income/Expenses	2002	2003	2004	YTD Annual	Trailing 12	Appraisal	Originator U/W	%	Final U/W	%
Base Rent		480,355	488,965		495,399		496,200	99.4	496,200	99.4
Laundry/Vending Income		2,366	2,880		2,943		2,943	0.6	2,943	0.6
Parking Income										
Other Income										
Vacancy & Coll. Loss							42,853	8.6	42,853	8.6
Effective Gross Income		482,721	491,845		498,342		456,290	100.0	456,290	100.0
Real Estate Taxes		125,488	127,688		125,688		131,519	28.8	131,519	28.8
Property Insurance		11,355	12,499		10,388		12,874	2.8	12,874	2.8
Utilities		61,388	65,355		63,866		67,316	14.8	67,316	14.8
Repairs and Maintenance		17,855	16,573		15,977		18,391	4.0	18,391	4.0
Management Fees							18,252	4.0	18,252	4.0
Payroll and Benefits		12,866	12,477		11,288		13,252	2.9	13,252	2.9
Advertising and Marketing		1,830	1,668		1,783		1,885	0.4	1,885	0.4
Professional Fees		2,557	3,665		2,899		3,775	0.8	3,775	0.8
General and Administrative		20,133	20,511		20,388		21,126	4.6	21,126	4.6
Other Expenses		3,384	2,833		3,110		3,486	0.8	3,486	0.8
Ground Rent										
Total Operating Expenses		256,856	263,269		255,387		291,874	64.0	291,874	64.0
Net Operating Income		225,865	228,576		242,955		164,416	36.0	164,416	36.0
Cap Ex. (Repl. Reserves)							9,000	250.0	9,000	250.0
Extraordinary Capital Exp.										
Total Capital Items							9,000	2.0	9,000	2.0
Net Cash Flow		225,865	228,576		242,955		155,416	34.1	155,416	34.1

Notes