

Structured debt

Commercial mortgage lending

Principal Real Estate Investors' Structured Debt programs offer a competitive product mix of mezzanine debt, light bridge debt, B-notes, preferred equity, and full-leveraged debt stack. Through the variety of financing vehicles we offer, we are able to provide tailored solutions to meet the needs of your clients.

Our advantage

- **Experience** We have invested over \$3.1 billion in subordinate debt/bridge loans since 2010. We have approved Intercreditor Agreements and closed loans with 29 senior lenders.
- **Flexibility** We offer competitive options, tailored to meet Borrower's specific needs. Our products cover a broad risk spectrum with rates in the 4.5-10% range.
- **Process** We apply our life company approach to our execution. For mezzanine loans, we can work behind the scenes through a senior lender or directly with a sponsor to ensure the most efficient process, and minimize concerns of having two lenders.
- **Consistency** Your local underwriting contact runs the deal in conjunction with our Structured Debt team.
- **Borrower-friendly** We are viewed as a Lender, not a predatory investor, by the borrower community.
- **Servicing** Our subordinate debt and bridge loans are serviced internally by the same experienced group that runs our mortgage servicing.

General guidelines

	High leverage subordinate debt:	Conservative subordinate debt:
LTV	Up to 80%	Up to 70% +/-
DY	6%+ targeted DY	8-12% +/-
Loan sizes	\$10- 100 million	\$10 - 75 million
Terms	2-10 years	2-10 years
Pricing	Floating rate L+650-900 bps / Fixed rate 7-10%	Floating rate L+500-650 bps / Fixed rate 5.25-7.25%

Full debt stack/Light Bridge Debt:	
LTV	Up to 80%
DY	Deal specific – pricing driven by NCF
Loan sizes	\$20 - 75 million
Terms	2-5 years
Pricing	Floating rate L+300-450 bps plus origination and exit fees (where applicable)
Prepay	Typically call protection for ½ of the loan term



We open the door to an abundant number of deal structures.

So, the next time you are looking for a full-service, reliable lender, look to us
www.principalcrelending.com

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As a general matter, commercial mortgage lending entails a degree of risk that is typically only suitable for sophisticated institutional and professional investors for whom such an investment is not a complete investment program and who fully understand and are capable of bearing the risks associated with such strategy.

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