ASSET SUMMARY OF MORTGAGE LOAN

SECURED BY:

LOAN AMOUNT - $4,143,000

LTV - 70.6%

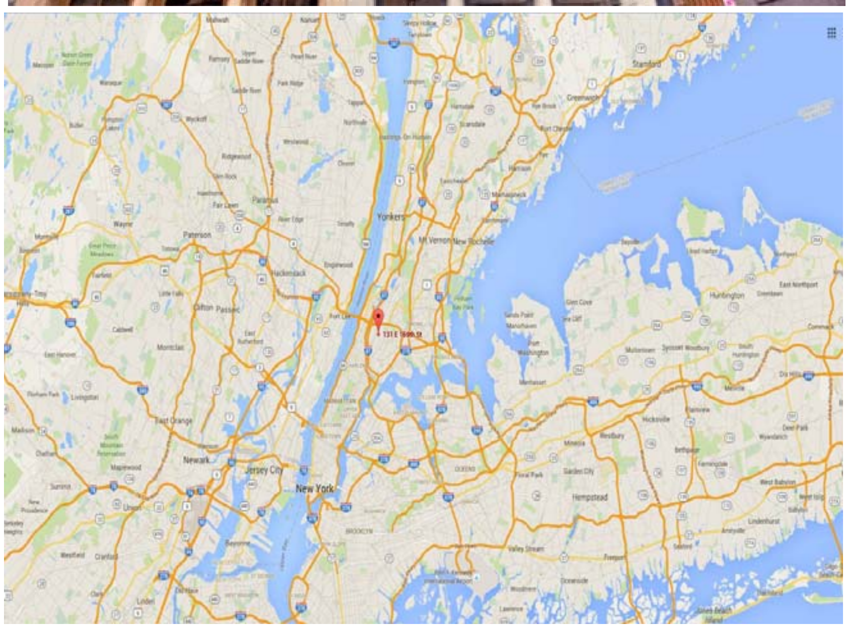
DSCR - 1.91x (Interest Only)

DSCR - 1.30x (Amortizing)

MAIN ST. APARTMENTS

HOMETOWN, NJ

Subject



SMALL BALANCE LOANS EXECUTION

APRIL 22, 2016

Main Street Apartments
123 Main Street
Hometown, NJ 001122

Loan Number
123456789

Approvals	
Recommended by:	**Final Approver and Date:**
Name: John Doe	Name: Jane Doe
Title: Underwriter	Title: Manager
	Date: 4/1/2016

Exceptions		
Exception Requested:		**Freddie Mac Approval Date:**
1	Less than 2 years of operating history	3/15/2016
2	Guarantor FICO below 650	3/15/2016
3		

Outstanding Package Items		
Item:		**Comments**
1	Final Insurance	Pending final submission to ICT
2	Final engineering report	Draft uploaded, final will be uploaded soon
3		
4		
5		

ADD OTHER SELLER SPECIFIC INTERNAL CONTENT HERE

Pricing

PHOTOGRAPHS

Ownership History & Non-Standard Loan Features

XYZ Seller funded and Freddie Mac purchased a $4,143,000 loan ($126,000 per unit) secured by 3 non-contiguous parcels located in Hometown, NJ. The 3 walk-up buildings are comprised of 10 total units, including one commercial unit. The Guarantor, Benjamin Tyler, acquired the property out of foreclosure in 12/1/1999 and over the next four years bought-out all limited partners while committing his own capital for noted renovations. The SBL Loan Agreement has one modification to section X.X for greater than 20% of the initial leases being provided as MTM.

Loan Terms and Underwriting Summary			
Loan Amount:	$4,143,000	**Originator**	XYZ Seller
Total Units	10	**Repeat Originator Guarantor**	No
Loan Amount per Unit:	$126,000	**Repeat Freddie Mac Guarantor**	No
Purpose of Loan:	Refinance	**Date of Appraised Value:**	11/12/2012
Cost Basis:	$3,250,000	**Appraised Value:**	$5,870,000
Remaining Cash Equity:	$0	**Appraised Value per Unit:**	N/A
Cash Out:	$1,043,000	**Loan to Value:**	70.6%
Interest Rate:	3.700%	**Maturity Loan to Value:**	50%
Loan Type:	5 yr Hybrid	**Hybrid Stress Test DCR:**	1.05
Loan Term (Months)	240	**Prepayment:**	O(4)
Amortization (Months):	360	**Fee Simple or Leasehold:**	Leasehold
I/O Period (Months):	36	**Debt Service Constant:**	5.52%
Interest Accrual Method:	Actual/360	**Debt Service Coverage:**	1.30
CFBDS:	$381,049	**Debt Yield**	9.7%
Index:	6-mon LIBOR	**SBL Market**	Top

Notes:

Sources		Uses		
Loan Amount	$4,143,000	Existing Mortgage(s)		$3,150,000
Other		Purchase Price		
Other		Closing Costs	1.1%	$47,250
Cash From Borrower	$0	*Cash to Borrower*		$945,750
Total Sources	**$4,143,000**	**Total Uses**		**$3,197,250**

Escrow/Reserve Requirements	Escrow Status	Initial Deposit	Ongoing Monthly Deposit	Per Unit
Tax Escrow:	Funded	$0	$7,175	$717
Insurance Escrow:	Deferred	$0	$946	-
Deferred Maintenance Reserve:	N/A	$0	$0	N/A
Reserves for Replacement:	Deferred	$0	$936	-
Other Reserves:	N/A	$0	N/A	N/A

Notes:

STRENGTHS

- **Strong Guarantor**
  Mr. Benjamin Tyler has over 25 years of experience in construction and management of multifamily properties. The property has been under his management for over 15 years. Mr. Tyler currently owns and manages 120 residential units across six properties all in NJ (including the subject) with a cash flow over $290K annually. As of December 16, 2015, Mr. Tyler reported net worth and liquidity of $11,957,123 and $1,084,274, respectively and a FICO score of 810.

- **Strong Income Growth Potential**
  The subject's units are rent stabilized and are renting at significantly below market rents as well as below the legal maximum registered rents permitted for the property by the New York State Division of Housing and Community Renewal (DHCR) pursuant to the State's Rent Stabilization requirements for covered properties. Based on the in-place rent roll, current income is 26% below the appraiser's concluded market rents. The subject's maximum legal registered rents under the NYS Rent Stabilization system are 23% above market rents, indicating strong upside potential.

- **Local Property Management Related to Sponsor**
  The property has been managed Tyler Management, a borrower entity since 1989. Management company name was established in in the subject's market and currently manages 18 multifamily properties containing 250 units under management locally. The guarantor actively oversees the management, and it was noted on inspection that the Guarantor was on a first name basis with many of the tenants. In addition, the market knowledge of the area from both the maintenance staff and Guarantor was superior.

RISKS/MITIGANTS/UNDERWRITING ISSUES

- **Limited Operating History**
  The property is missing the 2nd year historical financials. The previous owner was not sophisticated and did not have adequate booking. Therefore, 2014 financials were not provided as part of the acquisition. Property is conservatively valued at the lower end of the sale comparable range to help mitigate uncertainty. In addition, underwritten NOI was Y % below T-12 to account for any higher unique historical expenses in previous years. Collections were also underwritten at T-3 with an upward monthly trend. Lastly, the underwritten expense are comps on the higher end of the comparable range.

- **Inferior Building Improvements**
  The subject improvements are inferior within the subject area and risk obsolescence or improvement during loan term. The subject includes smaller unit sizes relative to the market with inefficient configurations and layouts. In addition, based on observations on inspection, the improvements and finishes including appliances are reaching their useful life. However, the rents at the property are X% below market per the Appraised comparables. In addition, the property has maintained a healthy occupancy at Y% over the last two years despite these challenges. The property, although dated, is well maintained and has no self reported code violations, which is normally common for properties of this age in New York City. The previous borrower was elderly and was not active in management of the property. Upon acquisition, the subject Guarantor plans to contribute $X per unit as capital expenditures.

- **High Number of Criminal Incidents in Subject Submarket**
  The subject's submarket had X noted criminal incidents in the last 6 months, including one murder two blocks from the subject, as reported by a crime report provided by XYZ municipality. However, no criminal related activity was reported at the subject property during that same time. Extensive tenant screening is conducted at the subject despite the lack of leasing office, and documentation of screening was provided during the lease audit. Despite these area criminal incidents, occupancy has remained strong at the property averaging 98% over a full three years of operating history, with no notable levels of bad debt or vacancy in the provided collections. The property is currently 100% occupied, and was conservatively underwritten with a vacancy of 5%, which is greater than in-place, T-12 and REIS projected submarket.

Property Overview

Property Information			
Property Type:	Multifamily	**Physical Occupancy:**	100.0%
Property Sub-Type:	Mid Rise	**Physical Occ. Date:**	12/15/2015
Street Address:	123 Main St	**B/E Occupancy (Amortizing):**	#N/A
City, State, Zip:	Hometown, NJ 07070	**Number of Units:**	10
County:	Bergen	**Number of Buildings:**	1
MSA:	Northern New Jersey	**Number of Floors:**	4
Acquisition Date	12/1/1999	**Number of Elevators:**	1
Year Built:	1928	**No. of Parking Spaces:**	2
Year Renovated:	2000	**Spaces per Unit:**	N/A
Renovation Amount:	$107,376	**Type of Parking:**	N/A
Construction Type:	Masonry and Steel Frame	**Acreage:**	0.403
Exterior Finish:	Brick	**Flood Zone**	No
Roof Type:	Flat	**Legal Conforming:**	Yes
Tenant Pays:	#N/A	**Law & Ordinance Coverage:**	Yes

Unit Mix — Based on Rent Roll dated 12/15/2015

Unit Type	# of Units	BR #	BTH #	Unit Type %	% Vacant	Unit Size(SF)	Rent Unit/M	Rent SF/M	Monthly GPR by Type	Annual GPR by Type
Studio	12	0	1	20%	2%	600	$ 1,500.00	$2.96	$ 14,210.00	$170,520

Tenancy			
Military	0.0%	**Low Income**	0%
Student	0.0%	**Very Low Income**	0%
Corporate	0.0%	**Government Subsides**	No

Tax Abatement			
Remaining Term (years)	18 yrs	**Approved State & Local Programs**	J-51

Certificate of Property Condition			
Non-contiguous Parcels	**No**	**Commercial Uses**	**Yes**
Flag Lot	**No**	**Rent and/or Income Restrictions**	**Yes**
Shared Amenities	**No**	**100% Condo**	**No**
Unusual Easements	**No**	**Shared Access**	**No**
Unusual Encroachments	**No**	**Ground Lease**	**No**
Uncertified Units:	**No**	**Other**	**No**

Comments:

The subject underwent a substantial rehabilitation totaling approximately $1,160,000 in 1998-2000 that completely modernized all units and common areas. Renovations included plumbing and electrical systems, new kitchens and bathrooms, sheet-rocking, flooring, redesigned apartment layouts, structural improvements, new roofs, new windows, and entrance doors. Tenants maintain in-unit laundry, which is considered an advantage to the competitive set.

There is one ground floor commercial tenant, a retail restaurant. The tenant has been at this location for more than 5 years. The commercial space is in good overall condition. It was noted on the inspection that the restaurant was very busy during the lunch hour.

The property represents a non-conforming use due to parking, but was grandfathered in as it was built prior to the establishment of the zoning requirements. Tee building can be rebuilt to existing if damage is less than 50%. L&O insurance will be purchased by the borrower.

The subject property enjoys J-51 real estate tax benefits (now section 11-243) of the Administrative Code of the City of New York. Under J-51, the subject buildings each received a 34-year exemption (30-year full exemption plus a 4-year phase out) from the increase in real estate taxes resulting from the cost of renovations performed in the late 1990s at each property. The buildings also received a 20-year abatement of existing real estate taxes, effectively reducing each property's tax liability to 0 over the 20-year term of the abatement. The subject's real property taxes remain significantly below full taxes through 2030, then gradually

Property Inspection			
Date Inspected	1/1/2015	**Party Conducting Inspection**	Freddie Mac & XYZ Seller

Inspection Comments:

Freddie Mac and XYZ Seller inspected the property on 1/1/15 with the Appraiser and Engineer. An electronic lease audit was performed offsite because no leasing office or resident leases are on-site. No major issues or discrepancies were noted. Most leases have rolled to MTM after an initial lease terms >6 months. The inspection confirmed the results of the third parties and Freddie Mac determined the property be in average condition with little noted differed maintenance. The commercial space seems to benefit from a corner location and the associated heavy foot traffic. Lunch crowd was notably full. A couple of the tenants had add additional locks to their doors, so entrance into those originally scheduled units was modified to other units noted in the inspection report. Tenant base was mostly not during the afternoon and represented a working class demographic. The submarket is three blocks from the metro and gentrification is evident from new retail and commercial spaces and amount of renovations visible on neighboring streets.

Collections

2012	GPR	Vacancy	% of GPR	Concessions	% of GPR	Bad Debt	% of GPR	"X" Adjustment	Add Back Non-Rev	Net Rental Collections	Economic Occupancy	Physical Occupancy
January	$51,859	($1,937)	-3.7%	$0	0.0%	$0	0.0%	$0	$0	$49,922	96.26%	96.26%
February	$51,789	($2,832)	-5.5%	$0	0.0%	($1,230)	-2.4%	$0	$0	$47,728	92.16%	94.53%
March	$51,819	($1,321)	-2.5%	$0	0.0%	$1,230	2.4%	$0	$0	$51,728	99.82%	97.45%
April	$51,973	($82)	-0.2%	$0	0.0%	$0	0.0%	$0	$0	$51,891	99.84%	99.84%
May	$51,999	($1,209)	-2.3%	$0	0.0%	$0	0.0%	$0	$0	$50,790	97.67%	97.67%
June	$51,979	($1,989)	-3.8%	$0	0.0%	$0	0.0%	$0	$0	$49,990	96.17%	96.17%
July	$52,080	($244)	-0.5%	$0	0.0%	($1,779)	-3.4%	$0	$0	$50,057	96.12%	99.53%
August	$52,179	($46)	-0.1%	$0	0.0%	($1,200)	-2.3%	$0	$0	$50,933	97.61%	99.91%
September	$52,318	($1,744)	-3.3%	$0	0.0%	($4,560)	-8.7%	$0	$0	$46,014	87.95%	96.67%
October	$52,445	($279)	-0.5%	$0	0.0%	($1,140)	-2.2%	$0	$0	$51,026	97.29%	99.47%
November	$52,585	($746)	-1.4%	$0	0.0%	$550	1.0%	$0	$0	$52,389	99.63%	98.58%
December	$52,793	($54)	-0.1%	$0	0.0%	($2,657)	-5.0%	$0	$0	$50,082	94.86%	99.90%
Total	$625,819	($12,484)	-2.0%	$0	0.0%	($10,786)	-1.7%	$0	$0	$602,549	96.28%	98.01%

Trailing	3	6	9	12	Underwritten
Monthly Net Rental Collections	$51,166	$50,083	$50,352	$50,212	$49,766
Annualized Net Rental Collections	$613,988	$601,001	$604,229	$602,549	$597,198
Economic Occupancy	97.26%	95.58%	96.35%	96.28%	94.08%
Physical Occupancy	99.32%	99.01%	98.64%	98.01%	95.00%

Commercial Rent Roll

Tenant Name	Size (SF)	Lease Start Date	Lease End Date	Rent ($/SF/Year)	Lease Type
Ben's Restaurant	700	8/31/2011	8/31/2016	$46.29	Modified Gross

Rent Roll Date	12/10/2015
Total Units	1
Total SF	700
Annual	$32,400.00
Vacant SF	0
% Vacant SF	0
% Occupied	100%

Comments

"see Property tab"

		2014	2015	T-12	2016	Appraisal Year 1	Freddie Mac Proforma Year 1
	Econ. Vac %	0.00%	0.00%	0.00%	0.00%	3.00%	5.00%
	Concession %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Main St. Apartments	Res Vacancy %	0.00%	0.00%	0.00%	0.00%	3.00%	5.00%
Number of Residential Units> 41	Bad Debt %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Loan Amount	$4,143,000
Amortization (months)	360
UW Note Rate	3.70%
Total LoanTerm (mos)	120

SOURCE OF DATA / TIME PERIOD	Operating Statement Year 2 Back 2014		Operating Statement Year 1 Back 2015		Ytd Statement Months 12	Operating Statement T-12 / Year-To-Date Jan 2015 - Dec 2015		Borrower's Budget 2016		Appraisal Year 1		FREDDIE MAC PROFORMA Year 1			COMMENTS
INCOME		PER UNIT		PER UNIT			PER UNIT		PER UNIT		PER UNIT		PER UNIT	% Change vs. PY	
Gross Potential Rent-Residential	$460,478	$19,187	$602,550	$25,106	$618,390	$618,390	$25,766	$0	$0	$387,280	$16,137	$382,002	$15,917	-38.23%	Per 12/25 RR annualized with vacancts per newly signed leases in-place
Less: Residential Concessions	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Less: Residential Vacancy	$0	$0	$0	$0	$0	$0	$0	$0	$0	$11,618	$484	$19,100	**5.00%**	N/A	Submarket REIS vacancy 1.1%. Actual vacancy 3.7%. Additionally, the submarket vacancy for class B/C properties is 1.7% per REIS.
Less: Residential Bad Debt	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Short Term Premiums	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Residential NET RENTAL INCOME	**$460,478**	**$19,187**	**$602,550**	**$25,106**	**$618,390**	**$618,390**	**$25,766**	**$0**	**$0**	**$375,662**	**$15,653**	**$362,902**	**$15,121**	**-41.32%**	
Monthly Residential NRI	**$38,373**		**$50,213**		**$51,533**	**$51,533**		**$0**		**$31,305**		**$30,242**			
Commercial Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$245,840	$10,243	$245,840	$10,243	N/A	One retail restaurant
Less: Commercial Vacancy	$0	$0	$0	$0	$0	$0	$0	$0	$0	$12,292	$512	$24,584	**10.00%**	N/A	Current tentant has been in place for over 5 years. The current lease expires in 20xx.
Commercial NET RENTAL INCOME	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$233,548**	**$9,731**	**$221,256**	**$9,219**	**N/A**	
Monthly Commercial NRI	**$0**		**$0**		**$0**	**$0**		**$0**		**$19,462**		**$18,438**			
Coop Maint Fee	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Utility Reimbursement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$25,616	$1,067	$25,616	$1,067	N/A	
Laundry	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Parking	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	7 parking spots are available at the rear of the building. Current owner was not collecting income for parking but Appraiser estimates these lots can generate $7,200 a year ($86/month per lot). FM conservatively underwrote parking income to $0 since there is no historical data to support this cash inflow.
Cable	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Miscellaneous Other Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
EGI	**$460,478**	**$19,187**	**$602,550**	**$25,106**	**$618,390**	**$618,390**	**$25,766**	**$0**	**$0**	**$634,826**	**$26,451**	**$609,774**	**$25,407**	**-1.39%**	
FIXED EXPENSES															
Real Estate Taxes	**$87,880**	**$3,662**	**$99,909**	**$4,163**	**$109,030**	**$109,030**	**$4,543**	**$0**	**$0**	**$121,640**	**$5,068**	**$121,640**	**$5,068**	11.57%	Actual tax bill for 2015/2016 is $91,842. The appraiser took into account a possible reassesment, per the reassesment guidelines for Hometown, NJ (detail here). Taxes were underwritten to the appraiser's estimate, which included direct assessments, given the expected new tax amount after reassessment.
Total Insurance	**$10,782**	**$449**	**$10,782**	**$449**	**$11,016**	**$11,016**	**$459**	**$0**	**$0**	**$11,198**	**$467**	**$12,118**	**$505**	10.00%	Final insurance premium
Fuel	$25,000	$1,042	$26,287	$1,095	$24,786	$24,786	$1,033	$0	$0	$29,250	$1,219	$29,250	$1,219	18.01%	
Gas	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Electricity	$2,500	$104	$2,517	$105	$2,200	$2,200	$92	$0	$0	$2,986	$124	$2,200	$92	0.00%	
Water & Sewer	$12,458	$519	$12,817	$534	$12,738	$12,738	$531	$0	$0	$14,400	$600	$14,400	$600	13.05%	
Sub-Total, Utilities/Water & Sewer	**$39,958**	**$1,665**	**$41,621**	**$1,734**	**$39,724**	**$39,724**	**$1,655**	**$0**	**$0**	**$46,636**	**$1,943**	**$45,850**	$1,910	15.42%	Inflated over the historical expense range of $1,655 to $1,734. The underwritten expense is based on the expense comparable range of $1,300 to $2,250 per unit, with an average of $1,950 per unit.
TOTAL FIXED EXPENSES	**$138,620**	**$5,776**	**$152,312**	**$6,346**	**$159,770**	**$159,770**	**$6,657**	**$0**	**$0**	**$179,474**	**$7,478**	**$179,608**	**$7,484**	**12.42%**	
OPERATING EXPENSES															
Trash Removal	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Pest Control	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Bldg. Maint. & Repair	$10,485	$437	$12,336	$514	$11,554	$11,554	$481	$0	$0	$12,691	$529	$12,691	$529	9.84%	
Int. & Ext. Decorating	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Cleaning/Turnover	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Elevator Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Recreation Amenities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Parking Maint/Snow	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Grounds Maintenance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Repair and Maintenance	**$10,485**	**$437**	**$12,336**	**$514**	**$11,554**	**$11,554**	**$481**	**$0**	**$0**	**$12,691**	**$529**	**$12,691**	**$529**	**9.84%**	Supported both by the historical range of $481 to $514 and the appraiser's expense comparable range of $450 to $615 per unit. The portfolio expense comparable average for R&M expenses is higher at $725 per unit in this submarket, however the subject property is in superior condition.
Nonresident Mgt.	**$0**	**0.00%**	**$0**	**0.00%**	**$0**	**$0**	**0.00%**	**$0**	**0.00%**	**$19,006**	**2.99%**	**$18,293**	**$762**	**4.00%**	The property is self managed, therefore the management fee is underwritten to the average management fee for the submarket of 4%, per the appraiser's analysis.
Onsite Manager Salary	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Security	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Other Salaries	$0	$0	$0	$0	$0	$0	$0	$0	$0	$8,400	$350	$8,400	$350	N/A	Borrower's budget less super's unit costs
Payroll Taxes & Benefits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Apt Allowance	$0	$0	$0	$0	$0	$0	$0	$0	$0	$14,400	$0	$14,400	$0	N/A	Super's unit at $1,200/month
Total Payroll	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$22,800**	**$350**	**$22,800**	**$350**	**N/A**	Supported by the appraiser's expense comparable range of $225 to $600. Other comparables also had superintendent units.
Advertising	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Office/Model/Down Units	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Office Expenses	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,733	$156	$3,733	$156	N/A	
Legal & Audit	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Leased Furniture	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
License/Permits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Other Taxes or Assmnts	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Corporate Units	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	N/A	
Total Gen & Admin Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$3,733**	**$156**	**$3,733**	**$156**	**N/A**	While no historical G&A expense was indicated on the financial statements, all expense comparables indicated a G&A expense. Supported by the appraiser's expense comparable range of $100 to $215 per unit, as well as the portfolio comparable expense average of $175 per unit for this submarket.
Commercial Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**		**$0**	**$0**	**$0**	**$0**		
Miscellaneous Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**N/A**	
TOTAL OPERATING EXPENSES	**$10,485**	**$437**	**$12,336**	**$514**	**$11,554**	**$11,554**	**$481**	**$0**	**$0**	**$43,830**	**$1,826**	**$43,117**	**$1,797**	**273.18%**	
TOTAL EXPENSES	**$149,105**	**$6,213**	**$164,648**	**$6,860**	**$171,324**	**$171,324**	**$7,139**	**$0**	**$0**	**$223,304**	**$9,304**	**$222,725**	**$9,280**	**30.00%**	
Replacement Reserves	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,000	$250	$6,000	**$250**	N/A	
TI&LC	$0	$0	$0	$0	$0	$0	$0	$0		$0	$0	$12,000	**$250**		TI&LC was underwritten according to the attached TI&LC calculator
Total Expenses & Reserves	**$149,105**	**$6,213**	**$164,648**	**$6,860**	**$171,324**	**$171,324**	**$7,139**	**$0**	**$0**	**$229,304**	**$9,554**	**$228,725**	**$9,530**	**33.50%**	FM portfolio comps in the area range from $4,153 to $7,116 in per unit expenses excluding taxes, averaging at $5,418. The subject landed at $4,191, which is reasonable considering the owner has recently spent $645K in cap ex. The owner further plans to invest ~$200K more in the near future on various property upgrades.
Total Expenses/Reserves % of EGI		**32.4%**		**27.3%**			**27.7%**		**0.0%**		**36.1%**		**37.5%**	N/A	
Calculated NOI	**$311,373**	**$12,974**	**$437,902**	**$18,246**	**$447,066**	**$447,066**	**$18,628**	**$0**	**$0**	**$405,522**	**$16,897**	**$381,049**	**$15,877**	**-14.77%**	
Total Debt Service	**$228,834**	**$5,581**	**$228,834**	**$5,581**		**$228,834**	**$5,581**	**$228,834**	**$5,581**	**$228,834**	**$5,581**	**$228,834**	**$5,581**		
Cash Flow After Debt Service	**$103,455**	**$2,523**	**$125,820**	**$3,069**		**$119,111**	**$2,905**	**$117,265**	**$2,860**	**$108,451**	**$2,645**	**$68,683**	**$1,675**		
Amortizing Combined DSCR	1.452		1.550			1.521		1.512		1.474		1.300			

Borrower Analysis

Borrower Information					
Borrowing Entity's Name:	123 Main St LLC	**Entity Type:**	Limited Liability Company	**Entity State:**	DE

Principals Information

Principal 1

General

Name	% Interest Owned in Borrower	Role	Entity Type or Individual	Carve Out Guarantor Indemnitor	US Citizen or Domestic Entity
Benjamin Tyler	50%	Managing Member	Individual	Yes	Yes

Financials		Experience and History	
Net Worth	**$5,000,000**	**Criminal Record?**	**No**
Liquidity	**$500,000**	**Prior Bankruptcy?**	**No**
Contingent Liab	**$0.00**	**Prior Default, Foreclosure or Deed-in-Lieu**	**No**
Date of Fin Statements	**12/31/2015**	**Pending Litigations, Liens or Judgements**	**No**
FICO Score > 650	**Yes**	**# of Years' Experience in Multifamily**	**15**
Real Estate Owned		**# of Years' Experience in Subject's Market**	**15**
Total # of MF Properties	**1**	**# of Miles Personal Residence from Subject**	**21**
Total # of MF Units	**48**	**Credit Searches**	
Local # of MF Units	**48**	**SDN/OFAC Search**	**Acceptable**
Material Pending Maturity Risk	**No**	**Google Search/Negative Press**	**Acceptable**
W.A. DCR of RE Owned	**1.45**	**UCC/Public Searches**	**Acceptable**
W.A. LTV of RE Owned	**32%**	**Freddie Mac Credit Searches**	**Acceptable**

Principal 2

Principal 3

Comments:

Although Mr. Tyler has ownership in one multifamily property (not including subject), he has actively been buying and selling MF real estate for the last 15 years. He sold seven MF properties before the last down turn in 2006 and is currently acquiring more multifamily properties. In addition, per his real estate owned schedule, he has ownership to 4 other commercial real estate properties. He is a full time owner/operator of real estate and prior to that had 20 years in commercial construction experience.

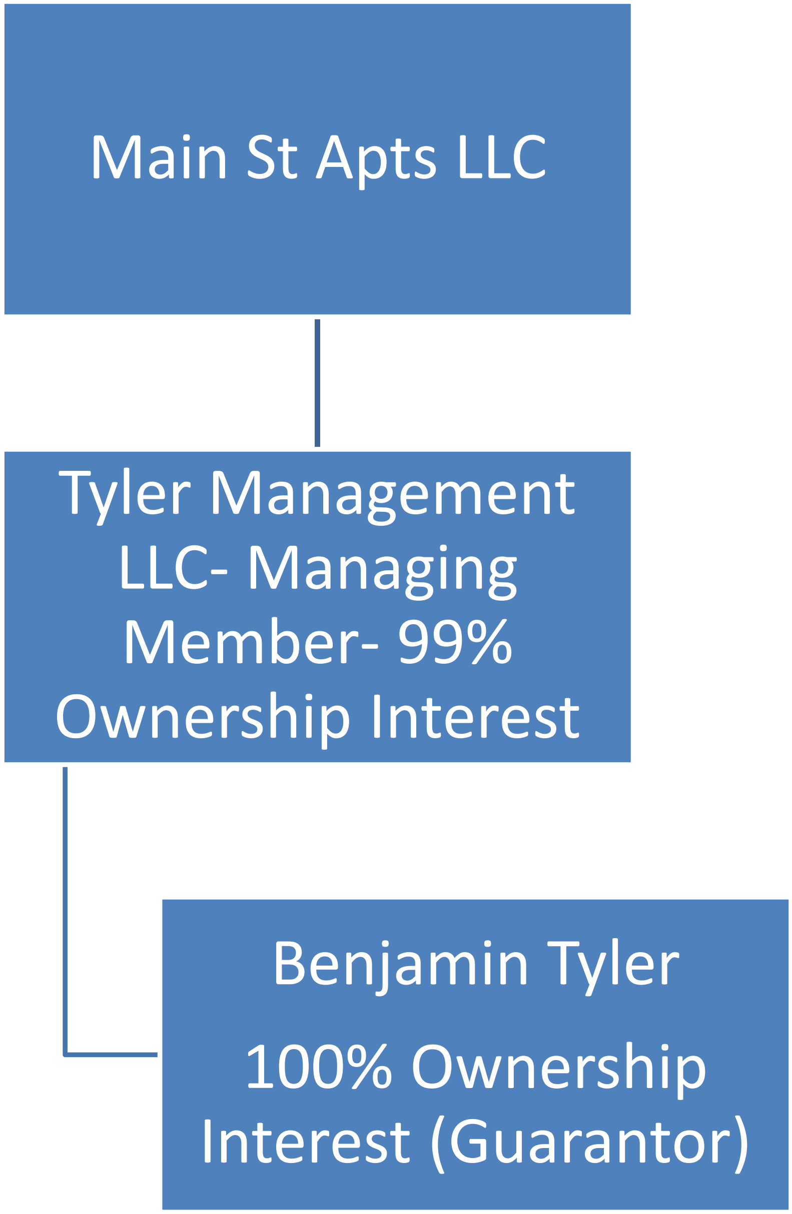
Property Management

Management Company Overview			
Management Company:	Self Managed		
Total MF Units Managed:	150	**Borrower Controlled:**	Yes
No. Units Managed Locally:	150	**Management Fee:**	5.00%

Comments:

The property has been managed Tyler Management, a borrower owned entity since 1989 upon being established and dedicated in New York City. The property management is actively overseen by the Guarantor, with a local Superintendent who manages multiple properties for the Sponsor. Most contracting work is outsourced to third parties.

Borrower Organizational Chart



Third Party Reports

Appraisal

Appraisal Firm:	Integra Realty Resources	**Report Date:**	11/20/2012
As Is Value:	$5,870,000	**As Stabilized Value:**	N/A
Value Per Unit:	N/A	**Value Per Unit:**	N/A
As Is Value Date:	11/12/2012	**As Stabilized Value Date:**	N/A

Direct Capitalization Approach

Capitalization Rate:	5.75%
Net Operating Income:	$337,285
Direct Cap Value:	$5,870,000
Value Per Unit:	$143,171

Cost Approach

Land:	N/A
Improvements:	N/A
Value:	N/A
Value Per Unit:	N/A

Sales Comparison Approach

Comparable Sales Range:	$159,024- $188,622
Value:	$6,150,000
Value Per Unit:	$150,000

Insurable Value Approach

Value:	$7,210,000
Value Per Unit:	N/A

Sales Comparable Analysis

PROPERTY	UNITS	YR. BUILT	DOS	ACTUAL PRICE	PRICE/UNIT	ADJ. PRICE/UNIT	COMPARISON	OAR
Skyline Apartments	124	1950	Jun-12	$19,719,000	$159,024	$160,614	Similar	5.16%
Windsor at Crystal Ridge	334	2003	Mar-12	$63,000,000	$188,623	$153,916	Superior	4.87%
119 Essex Street	30	2005	Feb-11	$4,725,000	$157,500	$148,838	Superior	N/A
95 Park Street	10	1965	Jul-10	$1,525,000	$152,500	$138,699	Superior	6.70%
SUBJECT	**41**	**1940**	**N/A**	**$6,150,000**	**$150,000**	**N/A**	**N/A**	**5.75%**

Comments:
XYZ Seller agrees witht the appraiser's concluded final value of $3,760,000 based on the direct capitalization approach. The appraiser also concluded a market approach value of $3,160,000, however this was only used as general support for the direct cap value due to the lack of comparable sales.

All of the subject’s two-bedroom units are within the range of the comparables; however, the subject has 2 studios, 1 one-bedroom unit and nearly all of the three-bedroom units that are below-market. the appairser relied mostly on in place rents, but used market rents for the previously mentioned below market rents.

The market approach conclusion of $150,000 is below the average sales comparable approach value of $164,000. However, sales comparables 3 and 4 are most similar to the subject, as they required the least amount of adjustment. These two comparables averaged to $155,000 per unit, which supports the concluded value.

The appraiser identified a Gross Rent Multiplier range of 14.6x to 16.5x , which supports the subject property's GRM os 15.43x.

Engineering and Environmental Summary					
Physical Risk Report Firm	Nova Consulting Group, Inc.	Report Date:	1/4/2013		
Property Condition	Average	PCA Required?	No		
Underwritten / Unit:	$250				
Problematic Materials					
Alum Wiring	No	FRT Plywood	No		
Galvanized Piping	No	Septic Tank	No		
PB Piping	No	Non-Municipal Drinking Water	No		
Edison base/T-type fuses	No	EIFS	No		
Sub-60 amps	Yes				
Environmental Issues					
Phase I Required	No	Phase II Required	No		
Asbestos:	O&M	Storage Tanks:	No		
Lead-based Paint:	No	Soil Contamination:	No		
Mold:	O&M	Historical Issues:	No		
Radon:	No	Other Hazards:	No		
WDI Summary					
Infestation Noted			No		
Seismic Summary					
Pick Ground Acceleration:		EP/PML %:	0.0%		
Seismic Risk Factor Present?	No	EQ Insurance Required:	No		
Violations - Unresolved Underlying Issues					
Total number of open code violations			43		
Repairs and Capital Expenditures					

Location/ Area	Description	Type	Cost	Completion Time
Entire Building	A number of site light fixtures are not operational. Repairs are recommended for security.	Priority	$1,000	1 year
Entire Building	No carbon monoxide detectors were observed in the apartment units. The ranges are gas fired; therefore, a carbon monoxide detector should be installed in each apartment unit.	Priority	$3,075	1 year

Comments:

Smoke detectors, carbon monoxide detectors, trip hazards and GFCI in wet areas are certified by borrower as compliant and in-place per local code.

A licensed electrician completed a load test that resulted in 50 amps. However, the level was noted as sufficient based based on the building use. Management noted no previous electrical issues and unit sizes are smaller in size and include gas stoves.

There are 44 NY City violations associated with the Property. Out of the 44, there are 33 HPD violations. 25 of them are dated in 2015, 1 dated in 2014, and 12 dated in 2013. There are 4 Class A, 29 Class B, and 11 Class C. Majority of HPD violations are repetitive. Among other things, these are related to paint, windows, a drain pipe, mold, and radiator valve. The property also has 19 DOB violations. These date as far back as 1993 well before the sponsor’s ownership. There is only 1 of these that originated during the sponsor’s ownership which was in 2011. There is also 1 ECB violations. This was originated in 2014 and is related to relatively minor issue of installing a stand-up shower. Risk Engineer has reviewed the violations for potential life safety issues and material deficiencies and compared them to the deferred maintenance items observed during the inspection. Risk Engineer concluded there are no outstanding underlying issues at the subject other than those already identified as repairs in the SBL Risk Report. In addition, the borrower confirmed with the Seller that all issues underlying the violations have been cleared and that he is in the process of submitting the clearance request to the city authorities. He also provided a copy of the Dismissal Request Form for the 33 HPD violations that was stamped as ’accepted’ by the city. Google searches for the borrower and property did not identify any negative press related to the property management or tenant conditions. The Loan Agreement will require the borrower to use the best efforts to close all the violations within a year.

Market Overview

Metro Apartment Statistics

Northern New Jersey

Vacancy:	3.80%	**Previous Quarter Vacancy:**	3.8%	**Inventory (Units):**	210,943
Asking Rent:	$1,579	**Previous Quarter Asking Rent:**	$1,568	**Absorption (Units):**	204
Unemployment:	8.4%	**Avg. Household Income (2012):**	$161,930	**Population (2012):**	4,235,450
As of:	Nov-12	**Est. Household Income (2017):**	$203,552	**Est. Population (2017):**	4,302,100

Source of Market Data: REIS | As of: Dec 2012

Largest Employers

Northern New Jersey	No. of Employees
Verizon Communications	17,151
AT&T Corp.	15,000
Prudential Financial, Inc.	12,321

Submarket Overview

Submarket Apartment Statistics

Bergen County

Vacancy:	3.40%	**Previous Quarter Vacancy:**	3.4%	**Inventory (Units):**	40,353
Asking Rent:	$1,636	**Previous Quarter Asking Rent:**	$1,627	**Absorption (Units):**	46

Submarket Rents **Studio:** $1,087 **1br:** $1,368 **2br:** $1,971 **3br:** $2,618 **4br:** N/A

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Comments:

Over the past ten years, the Hometown, NJ apartment market inventory increased by 3.9% while households experienced less growth at 1.9%. The resulting market is a stable with balance in prevailing supply / demand conditions. Further, there has been significant positive absorption averaging 6.6% annually, moderate decrease in vacancy at -2.3% and a significant increase of actual average rent of 23.7%. Q3 2015 there were no deliveries of new product. Moving forward REIS and Collier's project that supply side issues do not represent a threat to the stability of supply / demand conditions in the Hometown area, especially in older B class and lower product.

On an annual basis, asking rents in the Hometown submarket hit a 10 year high in 2014 at $911 per unit. Only 544 units were added to the market over that 10-year period with 659 units of net absorption. Rents have been relatively flat over the past year with Q3 2015 achieving a $1 increase over the Q4 014 high of $911 but with a dip in Q1. 100 apartment units were added to this market over the past year, with 98 absorbed with no change in vacancy. This submarket is perceived to have sound fundaments and average to good appeal according to REIS.

The appraisal conducted a vacancy survey among a total 2,429 units that exhibited 2.8% vacancy; the majority of the supply was built between the 1900s and 1980s and there is no market resistance to aged properties. Vacancy is pro-jected to remain stable in the coming months and analysts anticipate no change for the foreseeable future. Rents have been generally level and are anticipated to remain so given the strong occupancy. The market is exhibiting very little in terms of concessions; if offered, they are generally limited to discounts a discount for new move-ins who sign a long term lease.

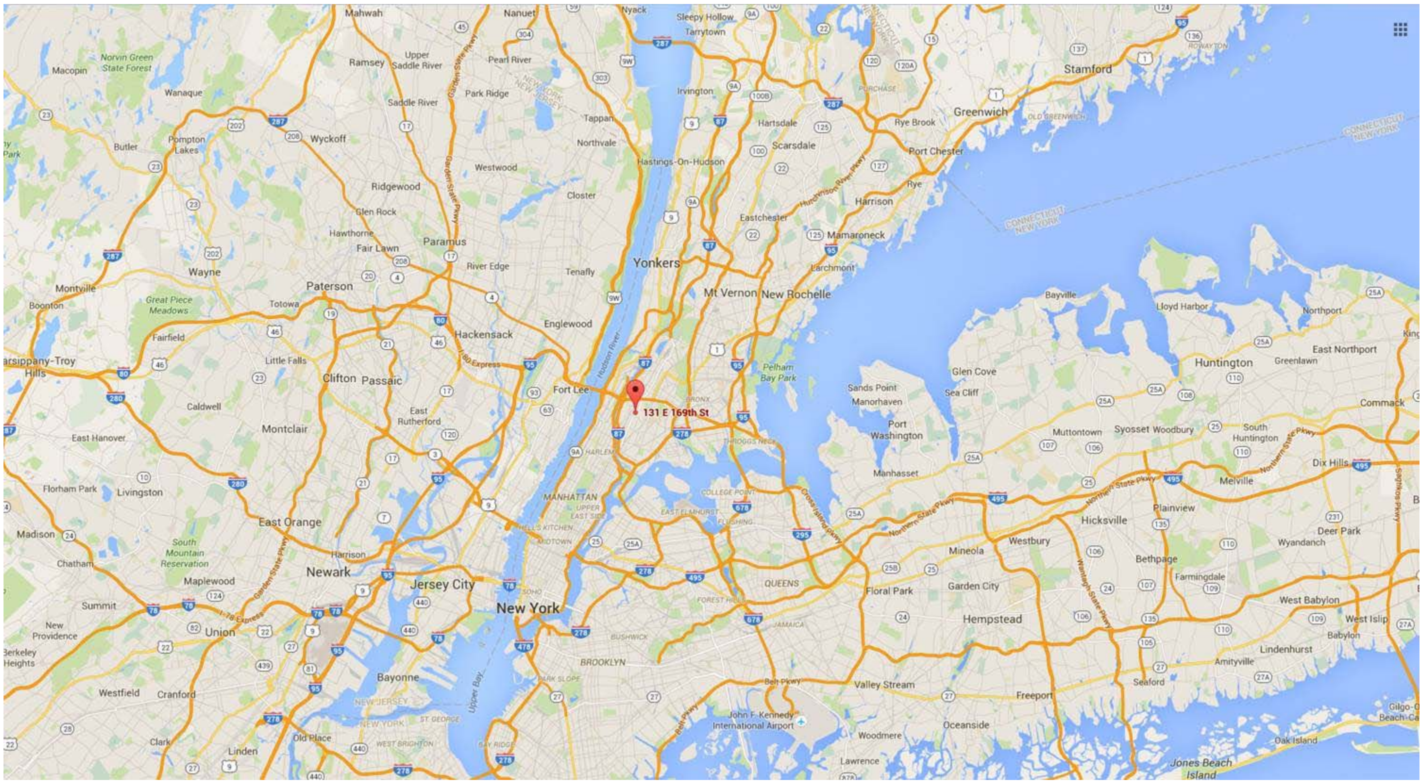
Rent Comparable Analysis

PROPERTY	YR. BUILT	UNITS	UNIT TYPE	UNIT SIZE (SF)	RENT/UNIT	OCC.%	Source
Rutherford Heights	1960	120	1BR/1BA	615	$1,221	100.0%	Appraisal
Audubon Place	1960	120	1BR/1BA	500	$1,231	100.0%	Appraisal
Hillside Gardens	1929	65	1BR/1BA	480	$1,390	98.0%	Appraisal
144 Union Avenue	1940	40	1BR/1BA	640	$1,328	100.0%	Craigslist
Willow Gardens	N/A	164	1BR/1BA	615	$1,167	97.0%	Freddie Mac Port.
SUBJECT	**1940**	**41**	**1BR/1BA**	**520 - 585**	**$1,275 - $1,135**	**97.0%**	

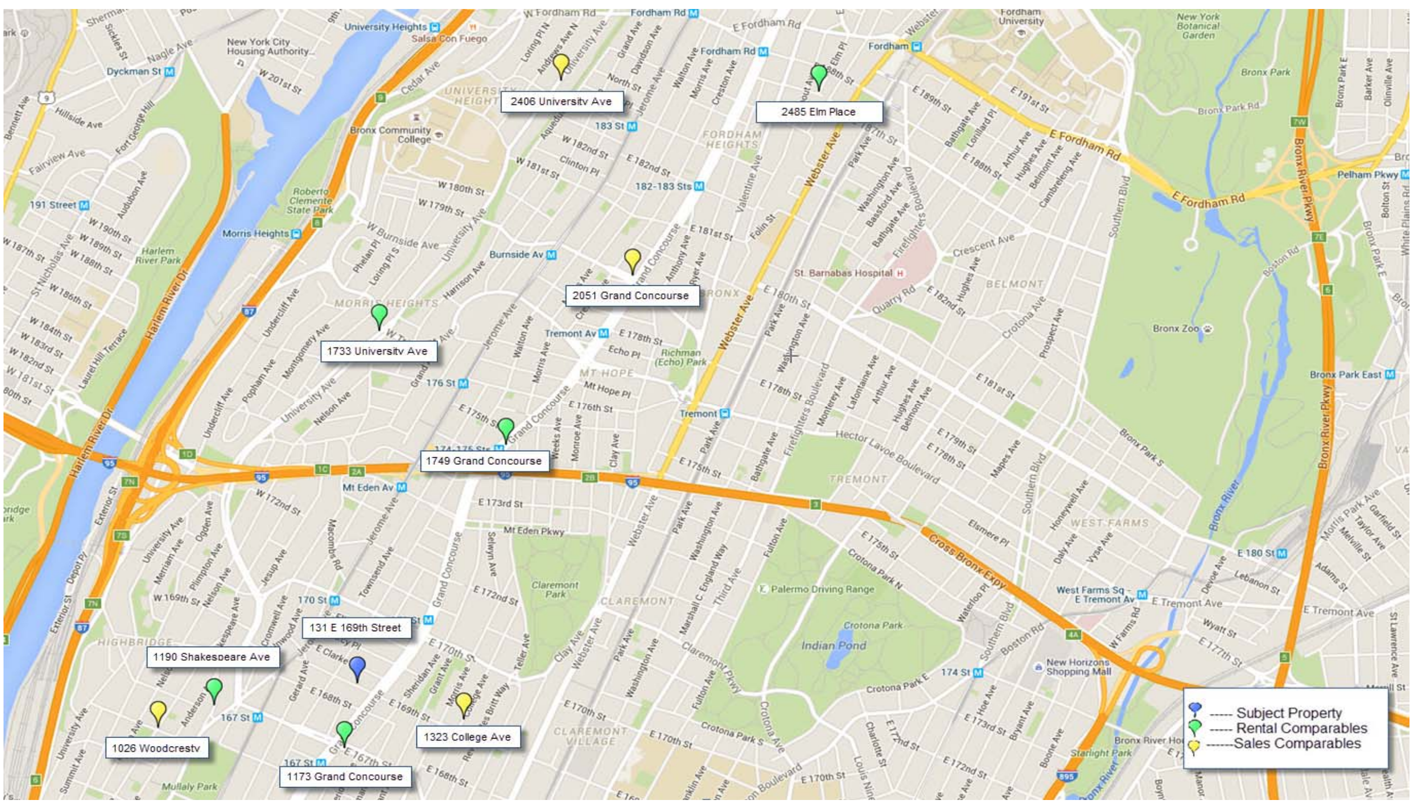
Comments:

The tenants residing in unit 1R and 2R are legacy tenants from the property that resided at the property prior to the redevelopment. In lieu of a buyout (the tenants were not willing to give up their units for a price the developer deemed reasonable) the original builder agreed to relocate those tenants to another one of his properties until such a time that they could move back into the new property while maintaining their rent stabilized rental agreements. All parties whom controlled the building since were obligated to honor these agreements. Thus, these two units are at significantly reduced rental amounts. The other variances, which are fairly slight, are related to the timing of leases being signed. The seller was "pre-leasing" some units prior to the completion, and those persons whom agreed to terms prior to the completion of the project secured lower rents than those whom signed once the building was completed, as the market demand continues to grow over the course of time.

Market



Submarket




5 Chestnut Street
330 School Street
10 Beechwood Ave
325-333 Prospect Street
Chestnut St
Beechwood Ave
Englewood Ave
Linwood Ave
Melrose Ave
Exeter Ave
Prospect St
School St
Brewster St
Dunnell Ln
Annette Fonteneau, MSN
David S. Pomerantz
Riverview Terrace Associates
Prospect Pizza
A. Charpentier Power Systems, Inc
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