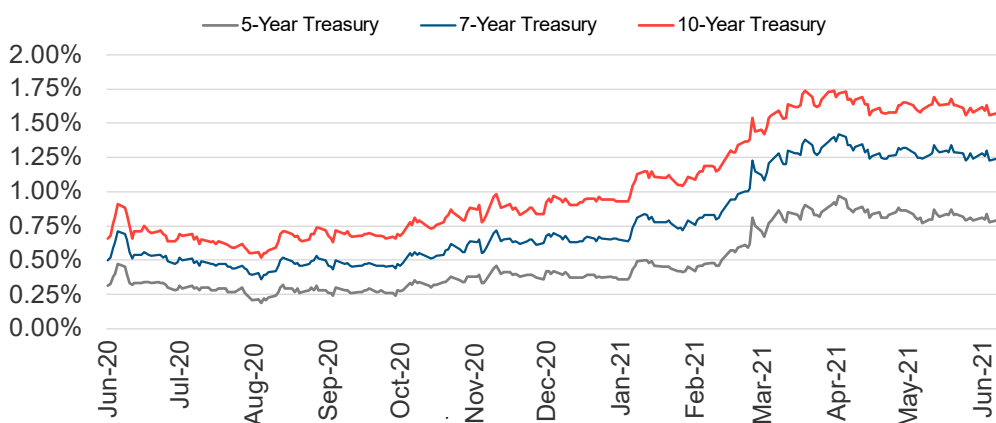


- After peaking in March, longer-term Treasury yields declined over the Fed's intermeeting period, even as market expectations for U.S. growth continued to be revised higher. Thanks to nearly \$4 trillion in fiscal stimulus so far this year, the U.S. economy is projected to expand at its fastest pace in four decades.
- Following April's meeting, the Fed said it would taper its \$120 billion in monthly asset purchases "well before" any mention of raising interest rates. Investors expect the Fed will raise rates in late 2022 or early 2023. The Fed meets again June 15-16.

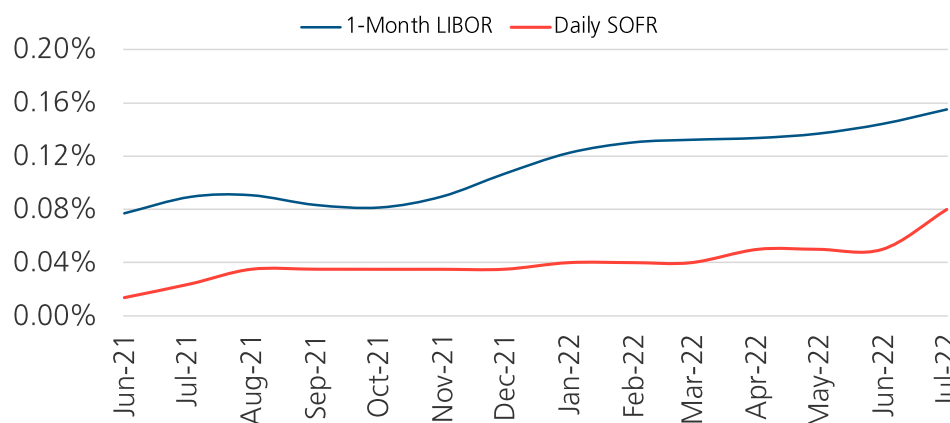
How do these developments affect you? Lenders are continuing to aggressively seek quality deals in the market. The non-recourse bridge financing market is finally back at its pre-pandemic levels. For an acquisition/redevelopment, cash-out refinance, or ground up construction loan, contact a Greysteel finance professional to discuss your options.

5-, 7-, 10-YEAR TREASURY CONSTANT MATURITY RATE



Source: U.S. Treasury

1-MONTH LIBOR FORWARD CURVE & DAILY SOFR FORWARD CURVE



Source: Chatham Financial

CURRENT INDEX RATES

5-YEAR TREASURY	7-YEAR TREASURY	10-YEAR TREASURY	5-YEAR SWAP	7-YEAR SWAP	10-YEAR SWAP	1-MONTH LIBOR	3-MONTH LIBOR	PRIME RATE
0.750%	1.161%	1.493%	0.840%	1.170%	1.4800%	0.0770%	0.1280%	3.25%

RECENT GREYSTEEL FINANCE TRANSACTIONS



DALLAS-FORT WORTH MULTIFAMILY REFINANCE

- Loan Amount:** \$8,302,000
- Rate:** 3.57%
- Term:** 10-Year Term
- Amortization:** 30 Years with 5 Years of I/O
- LTV:** 65% of as is value

Challenges:

- The tax reassessment was finalized and released during our refinance. This reassessment increased the tax liability by over 40%.
- Turbulent U.S. Treasury yields posed a substantial amount of interest rate risk to our borrower.

Solutions: Greysteel anticipated the sizable tax increase from the 2021 reassessment that took place during the loan process. To mitigate the reduction in proceeds because of this YoY escalation, Greysteel engaged tax consultants and their research team to provide conclusive data for what taxes would settle following the legal suit with the city. The evidence provided allowed for a favorable finalized tax liability on the appraisal which ultimately kept proceeds in-line with what was presented on the initial application. Greysteel was also able to reduce the interest rate risk the borrower was facing by conducting a preemptive rate lock.



SAN ANTONIO VALUE-ADD MULTIFAMILY REDEVELOPMENT

- Equity Amount:** \$10,200,000
- Rate:** 10%
- Deal Structure:** Traditional 85/15 deal with the Limited Partners (LP) also contributing a portion of the General Partners (GP) capital.

Challenges:

- Complicated deal structure. It was a loan assumption deal so Greysteel decided to layer in preferred (pref) equity to mirror market rate leverage. But, by adding pref to the deal Greysteel had to be very strategic in finding an LP that would accept being subordinate to pref equity.

Solutions: Using our extensive national lending relationships, the Greysteel Capital Markets team identified a group that would bring GP and LP capital and knew the pref equity provider. This allowed Greysteel to capitalize a complicated deal with subordinated debt and LP sign off. Knowing a wide range of market participants was the key to getting this one done.

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