



Conventional Hotel Loans

Alliance Business Capital offers Conventional Loans for Hotels that meet the following criteria.

Hotel Flags

- Hilton
- Marriott
- IHG
- Hyatt Selectively
- Independent Selectively

Products

- Acquisition
- Refinance
- New Construction

Hotel Brands

Upper Midscale

- Fairfield Inn and Suites
- Hampton Inn / Suites
- Hilton Garden Inn
- Holiday Inn Express
- Home2 Suites
- Moxy
- TownePlace Suites

Upscale

- AC
- Aloft
- Courtyard
- Hyatt Place
- Residence Inn
- Homewood Suites
- Hyatt House
- Hyatt Place
- Springhill Suites
- Staybridge Suites



Loan Structure

Loan Size:

- \$5 Million up to \$20 Million (higher loan amount on a case-by-case basis)

Loan Term:

- 6 to 36 Months of I/O for Construction / PIP
- 3 to 5 Years Conventional

Rates

- Variable Index: SOFR (1 Month or 3 Month)
- Fixed Index: UST (3 Year or 5 Year)

Amortization:

- 2015 to Ground Up: 25 Years
- 2000 to 2015 Build: 20 Years

LTC/LTV:

- 70% Maximum for in-place cash flow
- 65% Maximum for Construction / PIP

Recourse:

- Full Recourse is typically required

DSCR:

- 1.35 to 1.50x Minimum

DY:

- 10% Minimum

CapEx Account:

- 4% of Gross Revenue

Operating Deposit Account

- Required



Eligibility

Sponsor / Guarantor

- Primary focus on Hotels
- Industry Experts
- Presence in Market
- Previously Established
- Guarantor to show a minimum of 10% liquidity and 100% net worth of gross debt

Geography / Market

- Nationwide – Secondary Dynamic Markets
- High Barrier to Entry
- Multiple Demand Drivers (Government, Education, Medical, Corporate Travel, Military, Leisure Travel)

PIP Funding Requests

- \$2.5 Million or below “Change of Ownership PIP” preferred
- \$2.5 Million or greater on geographic location and limited to Sponsors that are well capitalized and highly experienced

Loan Fees

Origination Fees:

- 2% - 1% to Alliance Business Capital and 1% to Lender / Investor

Conventional eligibility determined by financial strength and hospitality ownership/operational experience of Sponsor. Guarantor(s) to have combined tangible aggregate net worth equal to 100% of the outstanding guaranteed obligations and to maintain at all times a minimum combined liquidity defined as unrestricted cash and cash equivalents of not less than 10% of the outstanding guaranteed obligations.