

CRESTVIEW
OWNER PRESENTATION
NOVEMBER 12, 2021



Let us help you secure the capital you need.

AVENUE CAPITAL SOLUTIONS Agenda

- Introduction
 - Loan Purpose
 - Assessment vs. Loan
 - Loan Security
 - Owner options
 - Term and rate information
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AVENUE CAPITAL SOLUTIONS Loan Overview

- ❑ Funds available to complete project
 - ❑ Every owner has access to financing
 - ❑ May be necessary for many owners
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- ❑ Loan supplements the project assessment
 - ❑ The association is the borrower
 - ❑ Crestview (non-profit corp.)
 - ❑ Business Loan
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AVENUE Loan Security

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- ❑ Not a mortgage (not securitized by real estate)
 - ❑ Not a lien against personal property
 - ❑ Loan security is the association's ability and authority to:
 1. Assess and collect
 2. Assign assessments (income) as loan security
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AVENUE CAPITAL SOLUTIONS Loan vs. Assessment

- ❑ Owners receive a levied assessment not an individual loan
 - ❑ Owners do not sign loan documents
 - ❑ No owner personal guarantee or credit scoring
 - ❑ Association loan will not appear on credit reports
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AVENUE CAPITAL SOLUTIONS Loan Requirements

- ❑ Obligation to pay assessments
 - Regular monthly dues
 - Special assessment payments

 - ❑ Accounts Receivable / Delinquency

 - ❑ Debt-service

 - ❑ Maintain liquidity & reserve contributions
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AVENUE CAPITAL SOLUTIONS Lien / Payoff

- ❑ Loan payment & assessment collection is through the Association
 - ❑ Association can lien for past due assessments
 - ❑ An owner's special assessment is typically satisfied at sale
 - ❑ Association loan may not complete the loan term (early payoff)
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- ❑ Owners choose how they want to pay their assessment
 - ❑ Short term and pay off at later date – e.g., 2-years
 - ❑ Extended term and pay monthly over time
 - ❑ Owner can pay assessment in full at their convenience
 - ❑ Loan is not restrictive
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- ❑ Does not have to be the best option
 - ❑ Owners may utilize savings, personal loan, HELOC, 401K, etc.
 - ❑ There may be benefits using home equity
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AVENUE CAPITAL SOLUTIONS Loan Rates

- ❑ There is not a uniform rate - rate varies by credit / security
 - ❑ Rates different than mortgage and Real Estate secured loans
 - ❑ Loan rates historically low
 - ❑ Most commonly, associations select loan terms with the lowest monthly payment
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AVENUE CAPITAL SOLUTIONS Loan Structure

- ❑ Final loan structure to be determined
 - ❑ Potential loan structure includes:
 - ❑ Line of Credit (Non-revolving)
 - ❑ Term Loan
 - ❑ One approval
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AVENUE Line of Credit

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- ❑ Optional
 - ❑ Draw Period / duration of project
 - ❑ Minimum interest only payments required
 - ❑ Not required to carry balance
 - ❑ Full loan utilization not required
 - ❑ Converts to term loan
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AVENUE Term Loan

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- ❑ LOC balance determines final loan amount
 - ❑ Standard term
 - ❑ 3.75% - 4.5% (subject to change)
 - ❑ Final rate to be determined
 - ❑ Rate resets
 - ❑ No prepayment penalties
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AVENUE Non-payment

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- ❑ Community responsibility
 - ❑ Loan default - rare / low probability
 - ❑ Attorney collection
 - ❑ Short term liability
 - ❑ Lender involvement / action
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- ❑ Guarantees funds available
 - ❑ Flexibility
 - ❑ Time
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