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Commercial Monthly Newsletter Allstate Mortgage Services

(800)430-9222 www.AllstateMortgageServices.com



Ask about our:

- 100% Commercial Financing
- 90% Stated Income Loans
- Our 5.9% Fixed Apartment Financing
- And more...

Take Advantage of Non-Recourse Loans!

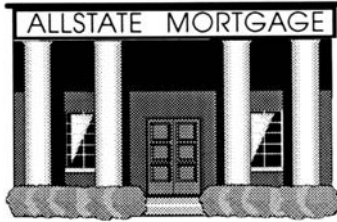
There is a loan product available in the commercial realm that is phenomenal for investors—a non-recourse loan. So what is a non-recourse loan? Well, all commercial loans fall into 2 big categories, recourse and non-recourse. Most commercial deals are recourse meaning that the person getting the loan must personally sign as a guarantor on that loan. If the business fails, the owner is still on the hook. ALL your local banks do recourse loans ONLY! All your SBA loans are recourse. Non-recourse, on the other hand, is where the deal stands alone and the INVESTOR DOES NOT SIGN PERSONALLY AS A GUARANTOR ON THE LOAN. This is usually only available through Wall Street conduit money where they will bundle the loans and securitize them. This type of financing is typically not offered by banks.

Non-recourse loans do not tie up your assets! The benefits of this loan to the investor is no personal risk and THE LOAN IS ASSUMABLE! With fixed rates near all time lows, a long term fixed loan at these low rates that is assumable can add hundreds of thousands of dollars to the value of your property should rates rise. It will help you sell the property quicker and with a premium. Think about it; 3 years from now rates are 2% higher and the going commercial rates on apartment complexes is 8%. But then you go to sell your property with an ASSUMABLE loan at 5.875%! Do you realize how much more valuable and easy to sell that property is over a comparable property at 8%? This is huge! These types of loans are typically only available on apartment complexes, strip malls, self-storage facilities, mixed-use properties and mobile home parks. Properties that can stand on their own with cash flow and not be tied to the success of a business. These loans are NOT


available for a business trying to buy a building for example. If you have a property like the ones described above you owe it to yourself to check these loans out.

General guidelines are 75% Loan to Value (LTV). The cash flow from the property should be 1.25 times the amount of the proposed new payment. But these deals really depend on the property. A really strong property can go 80% LTV with a rate under 6% but a weaker property may be 70% and 7.5% rate. Terms can go out to 30 years in the amortization, which is BEAUTIFUL for your payment and the cash flow percentage of the deal. I would rather have a 6% rate on a 30-year amortization then 5.75% on a 20-year amortization. The difference on a \$1,000,000 loan is over \$1000 a month! Commercial is all about return-on-investment (ROI) so an extra \$1000 each month is a huge ROI improvement! The property must, and I mean MUST, be cash flowing to do these deals. Cash flow is more important than the way the property looks. The place can be in sub-par shape but if it flows strong cash it can be done non-recourse where a local bank would be nervous about the appearance of the property. Yet another reason I love these loans!

If you want to get in on this type of financing, I suggest you try to find a lender or entity that does these programs. Allstate Mortgage Services is an excellent resource for these loans. Call your helpful representative today at 800-430-9222!




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I hope this letter has enlightened you and helped you. Give us a call if we can ever be of assistance. WITH RATES AT HISTORICALLY LOW LEVELS and the ECONOMY POISED FOR IMPROVEMENT there has NEVER been a better time to buy commercial property! I wish you the best.

Yours for prosperity,

Thomas A. Azimi
General Manager



High LTV Spotlight!

- ◆ 100% No Documentation Commercial loan is now available for owner occupied businesses looking to buy instead of rent. 2 year history and 680 credit scores or higher are required!
- ◆ Up to 90% for BUSINESS ONLY, machinery, equipment, etc. on loan amounts from \$500K to \$29 Million!!!! (This is NON-SBA!)
- ◆ Up to 90% on Multi-family and Mobile Home park on loan amounts above \$5 Million to \$100 Million!!!! (Non-recourse is available, property MUST cash flow at 1.2 DSCR)
- ◆ Up to 90% for multi-purpose OWNER OCCUPIED programs from \$750-\$29 Million
- ◆ Up to 90% on COMMERCIAL INVESTOR PROPERTIES (Retail, Office, INDUSTRIAL, Self-storage) above \$5 million to \$115 million