

Hotel & Hospitality Bridge Advantage

Bridge an existing hotel toward its next operating stage.

EXISTING FLAGGED / BOUTIQUE HOTELS | BRIDGE FINANCING

Who it is for

Sponsors seeking acquisition, refinance or repositioning financing for eligible existing flagged or boutique hotels. The flyer excludes ground-up construction and heavy rehabilitation. Brand affiliation alone does not establish program eligibility.

Ideal properties and transactions

An existing hospitality asset with an explainable operating history and a credible repayment plan. Describe ownership, management, brand status, seasonality and the reason bridge financing fits. Identify any change in flag, operator or required improvement plan before assuming business continuity.

Credit, experience and liquidity

The source lists a maximum 70% LTC/LTV reference, an indicated credit screen of 650 and tailored capacity. Qualification considers hotel operations, cash flow and exit. The published screens do not guarantee the same terms for every flagged and independent property. Explain sponsor and management experience, other obligations and cash available after closing. Separate transaction funds, required reserves and your own operating cushion. Ask which verification requirements apply to the selected route.

BRING THE COMPLETE COMMERCIAL SCENARIO

Property + operations + value + requested loan + financing purpose

Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.

Hotel & Hospitality Bridge Advantage | Planning guide

Leverage and valuation framework

Separate accepted cost, as-is value and any prospective value supported by the approved structure. LTV compares debt with the lender's accepted value; LTC uses eligible transaction or project costs. Purchase, refinance and cash-out can have different limits. Account for existing liens, closing costs, holdbacks and reserves before estimating usable proceeds. Ask which constraint governs and how property use, condition and cash flow affect the final advance. Headline capacity is not a cash-to-close calculation. Request a sources-and-uses worksheet that separates the closing advance, any future funding and funds retained for reserves. For a refinance, distinguish the gross loan amount from cash remaining after payoffs and all transaction expenses.

Income and operating review

Review occupancy, average daily rate, revenue per available room and collected revenue alongside operating expenses. Separate one-time adjustments from recurring performance. Explain seasonality and market demand, and stress a weaker operating period rather than relying only on peak occupancy.

Program structure and execution

Confirm any renovation reserve, permitted repositioning scope and release conditions. Disclose brand requirements, management agreements and major work. Ask how downtime, reserve use, maturity and extension conditions affect the financing plan, especially if operations improve more slowly than expected.

Property and location considerations

Confirm the legal property use, zoning, access, occupancy and insurance suitability. Identify tenant or operator concentration, deferred maintenance, major systems and any environmental or specialized-use concerns before ordering reports. The relevant property and operating approvals must be checked independently. Ask which conditions must be resolved before funding and verify state availability. A property's marketing category alone does not establish an eligible loan purpose or approved collateral. Identify who is responsible for maintenance, repairs and compliance under each lease or operating agreement. A tenant or operator obligation should still be reviewed for its practical effect on the collateral and the owner's cash needs.

Holding period, exits and stress tests

Set a holding period and compare the proposed loan with any planned sale, refinance or change in ownership. Model weaker income, a vacancy or operating disruption, higher expenses and an unexpected repair. Include financing and transaction costs when estimating the final outcome. Ask about maturity, prepayment, adjustment or extension provisions and guarantees. Future refinancing depends on then-current operations, condition, valuation and available lending terms, and is not guaranteed. If repayment depends on another lender, identify the performance and property conditions that takeout requires. Keep a contingency plan for additional holding time rather than treating a projected sale or refinance date as committed cash.

Documentation to prepare

Prepare room counts, operating history, current performance, management and brand details, property condition and the acquisition or payoff request. Include a defined sale or permanent-financing plan and disclose any heavy rehabilitation or construction requirement. Add ownership/entity records and the property, title and insurance information specified in the approved checklist. Provide sensitive identity and financial records through Karpata's secure process rather than in a public quote request. Explain unusual conditions and identify documents still pending.

Limitations and questions to resolve

All terms require borrower, credit, property and program approval and may not apply together. Confirm pricing, fees, reserves, guarantees, permitted use of proceeds and funding conditions in writing. Program descriptions and document alternatives are starting points for review rather than loan commitments. Educational preparation questions do not add undisclosed lender policy. This is eligible business-purpose real estate financing, not a consumer home mortgage. Final approved documents govern the transaction.

LET'S REVIEW YOUR NEXT COMMERCIAL PROPERTY

Request a quote | KarpataFinance.com | 480-846-1001

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