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Special Servicers are nominated by the controlling class of bonds (i.e. b-piece buyers). Whenever a request to change anything on the loan is made, Special Servicers must get approval from the b-piece buyers. Some examples of b-piece buyers are Rialto, Ellington, Prime, KKR, Eightfold, Torchlight, C-III, and Argentic to name a few.   When reaching out to CMBS Master Servicers, your primary contacts, you must give them a compelling reason to transfer your loan to Special Servicing. Most of the time there is a cost to review requests in Special Servicing; it can range from $10,000 to $15,000. There are a couple of options once in Special Servicing: 1.) Forbearance Agreement to delay the payment by 90 days to 120 days or 2.) Deferment of payments for a short period of time (90 days to 120 days). However, per our experience there is no wholesale solution that is being applied to all hotel loans, because certain hotels are doing well in selective pockets, such as hotels near a manufacturing facility that is helping create essential goods to fight the Pandemic, near a hospital facility, or to house the National Guard for a particular state.    **Best Practices while contacting your Servicer:**   * Communicate, communicate, communicate. Have all communications in writing. * In your communications, be sure to list your loan #, asset name, and location. * Be descriptive, specific, and quantitative in your description of your situation.   + Include data from PACE reports with comparison to 2019   + Include data from cancellation reports   + Include Monthly Revenue / Cash flow projections for the near term.   + Attach documents to your request * Highlight your history of on-time payment, guest satisfaction, quality scores, STR ranking, recent renovation, and/or any positive development in your local markets. * Convince the servicer of your credibility and commitment to the property and loan. Make sure you offer that you are not going to default the loan if they are willing to work with you and are open to a structure that reflects that. * Be specific in your request: ask for special servicing, let them know that you can’t make the April payment or you can say that you will make April payment but won’t be able to make the May payment. * Please note that there may be additional costs charged by servicers to address requests for modification.     [***Click Here for an ‘Example Letter’***](https://urldefense.proofpoint.com/v2/url?u=https-3A__magmilecapital.us16.list-2Dmanage.com_track_click-3Fu-3D1edae6bca159dccd1f6a91893-26id-3Dc5f8f601c9-26e-3Dab55e9eeeb&d=DwMFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=v6sGMIaeBPvZ14azIyJMfVJRglYnOI9mNudgpu9BmWI&s=ZQGrNN21XbxQdJb0CgXCf69cNzE6wpqYAXuK8YbYl_Y&e=)   **Information Checklist to send with the CMBS Restructuring Request letter as attachments:**   Hotel  1. 2019 P&L and T-12 if available 2. Dec 2019 STR; most recent monthly STR; most recent weekly STR 3. YTD 2020 Manager’s report with comparison to YTD 2019 4. Pace report demonstrating difference in business on the books  5. Cancellation report  Non-Hotel 6. Current Rent Roll 7. Summary of what is happening with tenants including correspondence with tenants    Additionally, if you are committed to the property, make sure you have enough cash to withstand the slowdown that’s about to ensue. The Federal government, through its various SBA programs, is committed to helping the owners albeit they are constrained. There are 3 specific programs that are available for owners to help with the cashflow woes:  1.) **EIDL – Economic Injury Disaster Loan**   Key Highlights:   * Loans up to $2 million; calculated based on 50% of the businesses’ 2019 gross revenue * Interest rate: 3.75% * Term up to 30 years * Application directly through [SBA.gov](https://urldefense.proofpoint.com/v2/url?u=http-3A__SBA.gov&d=DwQFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=v6sGMIaeBPvZ14azIyJMfVJRglYnOI9mNudgpu9BmWI&s=vbDsmI3mk7bWZ560eGCuJVR-b2-ERh94-OKaZahMTCQ&e=)   2.) **PPP (Paycheck Protection Program) under Cares Act**   Key Highlights:   * Loans up to $10 million for entities with up to 500 employees * SBA Affiliation Rules are waived (this means one application per entity as long as the entity had payroll) * 2.5x the businesses’ average monthly payroll * Interest rate: 4% * Term: 6 months no payment, 10 year term thereafter * Forgivable up to 8 weeks of payroll * Application through SBA designated banks or through an intermediary that has a pre-existing relationships with the SBA lenders * Unsecured and non-collateralized   3.) **SBA Express Loans for Working Capital increased under Cares Act**   Key Highlights:   * Loans up to $1 million (increased from $350,000 to $1 Million under Cares Act) * Sized to 1.20x DSCR based on 2019 cash flow net of debt service * Up to 6% Interest Rate * Up to 10 years Term * Approval in 36 hours from application * Application through SBA designated banks or through an intermediary that has a pre-existing consulting relationships with the SBA lenders   [***Click Here for ‘Detailed Eligibility Criteria’***](https://urldefense.proofpoint.com/v2/url?u=https-3A__magmilecapital.us16.list-2Dmanage.com_track_click-3Fu-3D1edae6bca159dccd1f6a91893-26id-3D9b29e922a9-26e-3Dab55e9eeeb&d=DwMFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=v6sGMIaeBPvZ14azIyJMfVJRglYnOI9mNudgpu9BmWI&s=w4dbSwesV4FTVCtSugh00LYafQYK2DU1NkBM_qjcXNU&e=)   For assistance with PPP and SBA Express Loans, below is the checklist of documents we'll need to get started.     **SBA Loan Document Checklist** 1. SBA 1919 Form (Borrower Information Form). [***Click Here for the Form***](https://urldefense.proofpoint.com/v2/url?u=https-3A__magmilecapital.us16.list-2Dmanage.com_track_click-3Fu-3D1edae6bca159dccd1f6a91893-26id-3D6d20be3eb1-26e-3Dab55e9eeeb&d=DwMFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=v6sGMIaeBPvZ14azIyJMfVJRglYnOI9mNudgpu9BmWI&s=JdKVRpjcYFoAfDqPM7xdP8bXqrjS7wIC1sRjsLnLGog&e=) 2. SBA Form 413 (Personal Financial Statement). [***Click Here for the Form***](https://urldefense.proofpoint.com/v2/url?u=https-3A__magmilecapital.us16.list-2Dmanage.com_track_click-3Fu-3D1edae6bca159dccd1f6a91893-26id-3Db04c8d7390-26e-3Dab55e9eeeb&d=DwMFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=v6sGMIaeBPvZ14azIyJMfVJRglYnOI9mNudgpu9BmWI&s=TgKvb5gntxzoJQETPRL7X1L_dKa5_5V0qxJz6ZqXptQ&e=) 3. 2017, 2018, 2019 business tax returns (if 2019 is not filed yet send 2016 tax return and 2019 year-end P&L and Balance Sheet). 4. 2017/2018/2019 personal tax returns (if 2019 is not filed yet send 2016 instead). 5. Business debt schedule (The total debt amount should match the liabilities on listed on your February balance sheet). [***Click Here for the Form***](https://urldefense.proofpoint.com/v2/url?u=https-3A__magmilecapital.us16.list-2Dmanage.com_track_click-3Fu-3D1edae6bca159dccd1f6a91893-26id-3D3f4b080532-26e-3Dab55e9eeeb&d=DwMFaQ&c=euGZstcaTDllvimEN8b7jXrwqOf-v5A_CdpgnVfiiMM&r=YirIGe15AA03f_B4MgvYkt2TfYEm8Ig0YXsN3IxOj4E&m=v6sGMIaeBPvZ14azIyJMfVJRglYnOI9mNudgpu9BmWI&s=zwJVLTIFADVTIN-z8fpeWxY30VPNwY-PUnQw0eeyiVI&e=) 6. February 2020 Balance Sheet. 7. Fully-executed franchise agreement 8. December 2018 and Feb 2020 STR Report.  9. March MTD statistics/manager/flash report.  10. Trailing 12 months (March 2019-Feb 2020) P&L in month-to-month format.   Lastly, please reach out to your Mag Mile Capital representative for clarifications about anything. We are here for you ready, willing, and able to help. | | |