
**LESSON 6 - EXIT STRATEGY OVERVIEW: EXIT TYPES FOR BRIDGE &
MEZZANINE LOANS**

PERMANENT LOAN REFINANCE EXIT

The most common and preferred method of exit is the permanent loan refinance

There are also several permanent loan sizing criteria:

- 10-year Treasury rate or LIBOR
- Spread, which is the difference between the interest rate and the benchmark (Treasury rate or LIBOR)
- Loan amortization rate
- Loan constant
- Interest rate stress

SALE EXIT

The other possible exit is the sale exit.

Achieving a profit on a sale exit is typically more difficult.

Thus, the sale exit is viewed as a secondary exit.

In this exit strategy, the investor is looking to achieve a profit from the proceeds of the sale after paying the selling costs, and paying off the total loan amount.