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**To:** **CRE Outside Counsel**

**From:** **Jennifer Rentenbach, Assistant General Counsel**

 **Susanna Post, Senior Counsel**

**Date: June 25, 2019**

**Subject: Updates to CRE form Loan Agreements – Notice Address; Section 6.1(a); Definition of Net Operating Income; Environmental Reliance Letters**

 Please note that we are providing this memorandum to only one contact at each of our outside law firms. Please circulate this memorandum to each of your firm’s attorneys who may work on matters for the SunTrust Commercial Real Estate (“***CRE***”) line of business.

 Attached are updated versions of the CRE form Loan Agreements, which are in process of being uploaded to our CRE Loan Documentation Website. These versions include the updates detailed below. Redline change pages are attached for your reference as well.

 In any deal where for any reason you are not using the most recent version of our form loan agreement, please make sure these updates, as applicable, are included in your documents along with any other subsequent form updates.

 **Updates:**

1. **SunTrust Bank Notice Addresses**

The Atlanta office of the Loan Servicing group has moved, so we have updated the notice addresses for the Atlanta office as follows. The Vienna and Charlotte offices remain unchanged.

Updated Address:

To Lender: SunTrust Bank

CRE Loan Admin Atlanta Office

Attention: Loan Servicing

245 Peachtree Center Avenue N.E., 17th Floor

Mail Code GA-ATL-3707

Atlanta, GA 30303

1. **Correction to Section 6.1(a) - Financial Statements and Other Information**

We have revised Section 6.1(a) as indicated below (with new language highlighted in yellow) in order to account for the fact that receiving copies of all Leases is often not necessary in a multifamily project:

(a) as soon as available and in any event within forty-five (45) days after the end of each fiscal quarter of Borrower, a copy of the rent roll (along with**[*include for multifamily projects:* ,only if specifically requested by Lender/Administrative Agent,]** complete copies of all Leases entered into by Borrower during such fiscal quarter), any notice received during such fiscal quarter by Borrower from a Tenant regarding an alleged default by Borrower that remains uncured, and a receivables aging in sufficient detail;

1. **Adjustment to definition of Net Operating Income in Term Loan Agreement and Syndicated Term Loan Agreement**

The definition of Net Operating Income in the Term Loan Agreements has been revised to mirror more closely the NOI definition in our Permanent Loan Term Sheet.

1. Guidance Regarding Reliance Letters for Environmental Reports

We have recently noticed an increase in requests to negotiate our form Reliance Letter for Environmental Reports or requests to use the Consultants’ form of Reliance Letter instead. (Our form reliance letter is attached for reference). In an effort to streamline this process, we are sharing our internal position regarding these letters. In debt transactions, we generally view reliance letters as beneficial to obtain when the consultant will sign the SunTrust form or another form that is substantively similar to our form. However, we typically will prefer to proceed without a reliance letter in debt transactions where the reliance letter offered puts additional burdens on the bank (for example, indemnification provisions) or otherwise contains unacceptable revisions.

1. Clarification regarding Collateral Assignments of Hedges

In loan transactions where a third party provides an interest rate cap or swap, where possible, we want to obtain a collateral assignment of the hedge signed by the third party hedge provider. Our preferred form of Collateral Assignment of Hedge is posted on the CRE loan documentation website for use in those transactions. In loan transactions where SunTrust Bank is both a lender and the hedge provider, we do not require a separate collateral assignment of hedge document be executed (and in those cases, we prefer not to sign a separate collateral assignment in our capacity as hedge provider); instead, in those cases, we will rely on the security interest grant in our form mortgages, which includes the mortgagor’s interest in hedges.

Please let us know if you have questions about these matters.  Thank you for your continued partnership.