Fieldpoint Condominium takes on a most unusual loan

There was a civil war brewing at the Fieldpoint Condominium development in the leafy and historic Westchester hamlet of Irvington. The property had 158 units with two distinct (and not always compatible) types of housing: 95 townhouses and 63 detached single-family homes. To further complicate matters: the board for Fieldpoint combines one association that represents the single-family homeowners and two for the townhouses, which launched in 1987 and 1988 as Fieldpoint 1 and Fieldpoint 2.

The cause of the brouhaha? The common charges for the association have, in recent years, increasingly reflected the expense of upkeep for the clapboard siding of the townhouses. That was running to $80,000 to $100,000 each year, and the board calculated that it could very quickly come out ahead by replacing these with more durable and elegant masonry fronts. In a very short period that would pay for the replacement. But the single-family owners objected: why should they shell out for something that wouldn't go onto the sides of their homes?

Money changes everything, and before a potential civil war could become uncivil, board president Michel Bryant, a lawyer originally from the Bay Area who works as a reporter for TV shows like A Current Affair, stepped in and offered the two sides a deal: the association would borrow the money to replace the siding for the townhouses. Then 75 percent of the cost would be paid by all the Fieldpoint residents while the remaining 25 percent would be assumed by the townhouse owners alone.

THE PLAYERS

Lloyd Amster, *Prime Locations*

Thomas Szczepaniak, *Senior Vice President, Hudson Valley Bank*

Michel Bryant, *board president*

That sounds simple enough, but it still left the board searching for a highly unusual loan. The community has no underlying mortgage. Yet now the Fieldpoint Community Association had to borrow roughly $2.5 million for the siding project. The board wanted to lock in the current low interest rates, and it wanted the money doled out as needed for the construction costs.

To meet those very specific requirements, the complex's manager, Prime Locations, run by two Westchester real estate industry veterans, Lloyd and David Amster, turned to Hudson Valley Bank and its senior vice president, Tom Szczepaniak, head of the bank's Commercial Real Estate Group. Szczepaniak says that loans for commercial real estate and to co-ops and condos are the bank's "specialty" and that it aims to "customize to the needs of the borrower."

Closing September 9, the loan functions something like a line of credit, though also with aspects of a construction loan. Its rate is fixed, and during the first year Fieldpoint will pay only interest, not principal. These interest payments will be calculated not based on the whole sum to be ultimately borrowed but rather on the amount the board has borrowed at each point during the construction process. Once that's completed, the complex does not have to assume the total projected sum of the loan. The obligation will also transform to a self-amortizing loan—still fixed rate—covering the final ten years of the loan's eleven-year borrowing period.

—Jonathan Leaf