

## **Product Sheet**

Updated 6/20/2022

CRE ADVISORS and 11 Capital provides financing nationwide representing over 110+ specialty lenders offering literally thousands of commercial real estate loan programs and loan variations with billions of dollars to immediately deploy. We specialize in non-bank type loans \$100k or greater. CRE ADVISORS and 11 Capital is a full-service brokerage coordinating and packaging loan files, placement as well as title insurance, property insurance, realtor, lawyers and more. We act as your “quarterback” and will do everything in our power to get loans closed as quickly and smoothly as possible for our clients. The product sheet is meant to be a guide or a tool only. Pre-approvals issued in 24-48 hours or less.

### **PERMANENT FINANCING (Pages 2 – 21)**

1. Bank/Credit Union Programs (Pages 2-8)
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## PERMANENT COMMERCIAL REAL ESTATE FINANCING

**BANK TYPE LOANS** *These types of transactions are not Our Core niche, but offered as a convenience only.*

### 1. BANK TYPE NON-OWNER OCCUPIED (Just Freddie Mac SBL. No Bridge for now)

<b><u>Fico:</u></b>	Typically 680 +.
<b><u>Credit:</u></b>	Letter of explanation for credit dings.
<b><u>Loan Amortization:</u></b>	15, 20, 25 & 30-year amortizations, up to 10-year fixed terms; interest only options too.
<b><u>Loan Terms:</u></b>	All different types of interest only and fixed options.
<b><u>Loan Size:</u></b>	\$2M to \$50M.
<b><u>Max LTV:</u></b>	Up to 75% of appraised value or purchase price (lesser).
<b><u>Debt Service Ratio:</u></b>	DSCR: 1.25x (UW NOI).
<b><u>Interest Rate:</u></b>	4-5% (subject to property type & market conditions).
<b><u>Property Types:</u></b>	Office, Retail, Industrial, Self-Storage, Single Tenant, Mixed Use, MF 5+, Mixed Use.
<b><u>Pre-Payment Penalty:</u></b>	Step Down Prepay, Flat Prepay, Yield Maintenance options.
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Refi Cash Out
<b><u>Lender Processing Fee:</u></b>	\$2000-\$7500 Processing Fee, Plus Expense Deposit to cover 3rd Party, Legal & Out-of Pocket Expenses for lender.
<b><u>Territory:</u></b>	Target top 50 MSA's, but can lend in top 100 MSA's; <a href="http://wireless.fcc.gov/wlnp/documents/top100.pdf">http://wireless.fcc.gov/wlnp/documents/top100.pdf</a>
<b><u>Special:</u></b>	Work with foreign nationals; property can only be 30% owner occupied; non-recourse loans available; can work with lower occupancy properties with a strong cash flow.
<b><u>Required Loan Docs:</u></b>	Executive Summary, Current rent roll, PFS, Tri-merge credit report, Past 3 years tax returns (personal and business if applicable), Past 3 years operating statements & current year to date operating statement, Business Debt Schedule, Pictures of property.
<b><u>Other:</u></b>	Lender also has a bridge program \$1 - \$7.5M. Variable rates. Alternative closing option for Freddie Mac SBL, no exit fees if refinanced with Ready Capital.

### 2. 90% LTV/LTC PERMANENT FINANCING SBA 504/7A PROGRAM

<b><u>Fico:</u></b>	680+. If any credit dings the reason why must make sense. Lender is looking for borrowers with good credit, decent liquidity & <b>direct industry experience is a must! Most SBA lenders want a 680+ mid fico score or higher.</b>
<b><u>Credit Issues:</u></b>	<b>If borrower is on a payment plan with the IRS this lender can work with this sometimes. SBA funds cannot pay off delinquent liens or pay roll taxes.</b>
<b><u>Loan Terms:</u></b>	Up to 25 years amortization. Different Fixed Options Available
<b><u>Loan Size:</u></b>	\$350K to \$5M

**Max LTV:** 80-90%. SBA lenders can cross collateralize other properties and even the borrowers' personal home to get the desired LTV.

**Debt Service Ratio:** 1.15 DSCR for prior year of financials or in the projections (Pro-form), if this is a projection-based loan. **Can sometimes do projection-based loans!**

**Interest Rate:** 5.5-7%

**Property Types:** Any commercial property that is 51% or more owner occupied, meaning the borrowers business has to take up 51% or more in the property. **Lender specializes in Gas stations, car washes, hotels, assisted living, franchise properties & special use properties. Can only do restaurants if they are a franchise.** Cannot do non-profit businesses and no gentlemen's clubs. Can finance land if it is a ground up construction loan or if the land has something to do with a businesses' expansion.

**Pre-Payment Penalty:** Only for 3 years. 5% of loan amount in year 1, 3% of loan amount in year 2, and 1% of loan amount in year 3.

**Use of Funds:** Purchase, Refinance & Ground Up Construction. **This program can be used for partner buy outs!**

**Territory:** **Nationwide even in HI and AK!**

**Foreign Nationals:** **Foreign nationals can apply, but there are restrictions.** Lender needs to see succession and a very strong management team. The company has to have a 51% owner that is a US Citizen, or a US citizen that is a manager in the business and not a partner can sometimes guarantee the loan on behalf of the entity. Foreign nationals don't need to have fico scores.

**Post closing liquidity:** Case by case but lender does like to see borrowers that have a steady cash flow and can clearly cover the mortgage payment.

**SBA Guarantee fee:** This is a fee that goes to the SBA at closing for them to guarantee the loan. This for is 3.5% of 75% of the loan amount and is financed into the loan.

**Required Loan Docs:** Lender Loan Application, Executive Summary, Current rent roll, Past 3 years tax returns (personal and business), Past 3-years operating statements & Current year to date operating statement, Business debt schedule, Pictures of property, Tri-merge credit report & PFS on every principle. **Once the lender has these loan documents their underwriting process takes about 5 business days.**

**Closing Time Frame:** Typically 45 days. 90 days on ground up construction.

**Lender Closing Fees:** 3.5% SBA guarantee fee that goes to the SBA. The lender only takes a \$2,500 packaging fee upfront and the cost of 3<sup>rd</sup> party reports. If the borrower decides not to take the loan, any of that un-used packaging fee is returned. 3<sup>rd</sup> party reports can include a business valuation, equipment appraisal, property appraisal, environmental, title work, etc. **These are the lenders only closing fees!**

**Extra:** **This is only a program for For-Profit companies.** No non-profits/churches. **Lender specializes in lending to local business owners.** Lender also does business acquisitions. Does some solar financing. The 7a is a general purpose loan, for equipment, real estate, etc. The 504 program is for financing assets such as real estate. Lender can someone times do USDA loans as well.

### **3. BANK TYPE SPECIAL USE PROPERTY TYPES**

**Fico:** 680 +

**Credit:** Letter of explanation for credit dings.

**Loan Terms:** Up to 20-25 years with full fixed options

<b><u>Loan Size:</u></b>	\$1M to \$16M
<b><u>Max LTV:</u></b>	Up to 75%
<b><u>Debt Service Ratio:</u></b>	Case by case
<b><u>Interest Rate:</u></b>	5-6%
<b><u>Property Types:</u></b>	Hotels, Assisted Living, Self-storage, Schools, Day cares, Restaurants (case-by-case), Funeral Homes, Food Processing, Hospitality, Medical/Dental offices, Industrial & Manufacturing (including heavy), and more.
<b><u>Pre-Payment Penalty:</u></b>	Step Down Prepay, Flat Prepay, Yield Maintenance. Typically step-down prepayment penalties during the fixed rate portion of the loan
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Cash-Out Refinance
<b><u>Territory:</u></b>	Nationwide
<b><u>Required Loan Docs:</u></b>	Executive Summary, Current rent roll, PFS, Tri-merge credit report, past 3 years tax returns (personal and business if applicable), past 3 years operating statements & current year to date operating statements, business debt schedule & Pictures of property.

#### **4. NATIONWIDE MULTIFAMILY PROGRAM**

<b><u>Fico:</u></b>	Typically 680+, but lender can work with lower credit if story makes sense.
<b><u>Credit:</u></b>	Letter of explanation for credit dings.
<b><u>Loan Terms:</u></b>	30-year amortizations. 3 (interest only), 5, 7, and 10 fixed options. After fixed period of loan the interest rate is adjustable, loan does not balloon.
<b><u>Loan Size:</u></b>	\$1.5M to \$30M (can go higher as well, no max really). For 2-4 unit investment properties (Loan amount \$300k to 2M).
<b><u>Max LTV:</u></b>	Up to 75% LTV depending on property location.
<b><u>Debt Service Ratio:</u></b>	<b>.75-1.30+. Depends on location. Lender will underwrite at a break-even point if borrower locates a property in a high demand area that has some type of value add play (rents need to be increased, property needs to be leased up, etc). This must be in a high demand, stable market to underwrite at a .75-1 DSCR.</b>
<b><u>Interest Rate:</u></b>	3.35-6.83% (Depending on LTV and market).
<b><u>Property Types:</u></b>	Stabilized properties 5+ units, mixed use, mobile home parks, student & senior housing (without an assisted living component). Lender considers 2-4 unit investment properties (Loan amount \$300k to 2M).
<b><u>Pre-Payment Penalty:</u></b>	Step Down Prepay. 3-year-fixed PPP= 3,2,1. 5-year-fixed PPP= 5,4,3,2,1. 7-year-fixed the PPP= 5,5,5,4,3,2,1. 10-year-fixed the PPP=5,5,4,4,3,3,2,2,1,1.
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Cash-Out Refinance
<b><u>Territory:</u></b>	<b>Nationwide</b> but focus on Coastal Southern California, San Jose, Salt Lake City, Chicago, San Francisco Bay Area, Boston, Washington DC, Philadelphia, Seattle, Minneapolis/St. Paul, Denver, Portland, NY Metro, New Jersey, Miami, San Antonio,

**Closing Time:**

Austin. Prefer population to be 250k+, can go down to 100k+ in stable markets.

**Special:**

45-60 days

Work with Foreign nationals as well but at a lower LTV. **Foreign nationals don't need to live in the US.** Non-recourse loans are offered at a 50% LTV. Lender operates in the gray. Can pay off tax lien and IRS Issues. This lender is all about location, location, location! First time investors welcomed.

**Loan Docs for LOI:**

Executive Summary, Tri-merge credit report, pics of property, Credit LOE (if applicable), Current rent roll, last 2 years of operating statements and year to date to review the deal and the lender can issue a letter of interest. If borrower is interested in LOI, Lender will request a deposit to move forward, which is typically around \$7,000. \$7,000 goes towards appraisal, processing underwriting, credit report, background check. Lender uses an AMC for appraisals.

## **5. NATIONWIDE COMMERCIAL PROGRAM**

**Fico:**

makes sense.

Typically 680+, but lender can work with lower credit if story

**Credit:**

Letter of explanation for credit dings.

**Loan Terms:**

30-year amortizations. 3 (interest only), 5, 7, and 10 fixed options.

Loans typically due in 10 years.

**Loan Size:**

\$1M to \$5M (can go higher as well, no max really.)

**Max LTV:**

Up to 75% LTV depending on location

**Debt Service Ratio:**

.75-1.30+. Depends on location. Lender will underwrite at a break-even point if borrower locates a property in a high demand area that has some type of value add play (rents need to be increased, property needs to be leased up, etc). **This must be in a high demand, stable market to underwrite at a .75-1 DSCR.**

**Interest Rate:**

3.25-6.97% (Depending on LTV and market).

**Property Types:**

Retail, Industrial, Office, Mixed-Use, Self Storage and Warehouse. Lender prefers investor deals & Multi-tenant deals. Not a fan of restaurants unless it is corporate restaurant, and below 50% LTV. Will sometimes consider hospitality. No automotive.

**Pre-Payment Penalty:**

Step Down Prepay. 3-year-fixed PPP= 3,2,1. 5-year-fixed PPP= 5,4,3,2,1. 7-year-fixed the PPP= 5,5,5,4,3,2,1. 10-year-fixed the PPP=5,5,4,4,3,3,2,2,1,1.

**Use of Funds:**

Purchase, Refinance, Cash-Out Refinance

**Territory:**

**Nationwide** but focus on Coastal Southern California, San Jose, Salt Lake City, Chicago, San Francisco Bay Area, Boston, Washington DC, Philadelphia, Seattle, Minneapolis/St. Paul, Denver, Portland, NY Metro, New Jersey, Miami, San Antonio, Austin. Prefer population to be 250k+, can go down to 100k+ in stable markets.

**Closing Time:**

45-60 days

**Special:**

Work with Foreign nationals as well but at a lower LTV. Foreign nationals don't need to live in the US. Non-recourse loans are offered at a 50% LTV. **Lender operates in the gray. Can pay off tax lien and IRS Issues. This lender is all about location, location, location! First time investors welcomed.**

**Loan Docs for LOI:**

Executive Summary, Tri-merge credit report, pics of property, Credit LOE (if applicable), Current rent roll, last 2 years of operating statements and year to date to review the deal and the lender can issue a letter of interest. If borrower is interested in LOI, Lender will request a deposit to move forward, which is typically around \$7,000. \$7,000 goes towards appraisal, processing underwriting, credit report, background check. Lender uses an AMC for appraisals.

**6. 80% Leverage Multi-Family Housing Program (Certain LTV's in certain areas are being limited)**

Loan Terms	20 Year Hybrid ARM with initial 5-, 7-, or 10 year fixed rate period 5-, 7-, or 10-year fixed-rate mortgage
AMORTIZATION	Up to 30 years
INTEREST RATES	Start at 3.46%+. (Partial interest-only available. Full-term interest-only on case by case basis).
ELIGIBLE PROPERTIES	Conventional multi-family housing with five residential units or more. Mixed use subject to limitations.
LOAN AMOUNTS	\$1 million - \$5 million
LOAN PURPOSE	Acquisition or Refinance (Cash Out Available)
DEBT SERVICE COVERAGE	1.20x Top
	1.25x Standard
	1.30x Small
	1.40x Very Small
MAXIMUM LTV	80% available in Top and Standard Markets
RECOURSE	Non-recourse with standard carve-out provisions
SPONSOR FINANCIALS	Net worth equal to or exceeding loan amount Liquidity equal to or greater than 9 months P&I prior to closing
RESERVES	Non-recourse with standard carve-out provisions
CREDIT	<b>Minimum FICO score of 650</b>
OCCUPANCY	<b>Minimum 90% occupancy of units for 90 days prior to underwriting</b>
TAX & INSURANCE	Real estate tax escrow not required for transactions with 65%
ESCROWS	LTV or less Insurance escrows deferred
REPLACEMENT RESERVE ESCROWS	Subject to underwriting conclusions and PCA

**7. 35 YEAR FULLY FIXED & AMORTIZED LOAN!**

-Loan Amounts: 1M + No Max.

-The recent change in policy now allows for the take-out of construction loans - only requiring

that the property achieve a DSCR of 1.176x.

-There is no minimum occupancy requirements!

-Term: 35 years fully amortizing and fully fixed

-Non-recourse

-Pre-Payment Penalty: Usually structured as a straight stepdown 10,9,8,7,6,5,4,3,2,1. There is no PPP thereafter. Please note, the FHA loan is fully assumable so even though there is a PPP if the borrower wanted to sell the asset they can allow the next owner to take over. There is a fee for that but it is not as steep as the percentage of PPP.

-Loan is fully assumable – subject to FHA approval .05 = assumable fee.

-Current base rate are: 3.00%

-Only for Multifamily properties 5 + units and up.

-LTV: The program is capped at 85% LTV if there is no cash-out and 80% for a cash-out.

-Fico: 650+

-Nationwide in the United States, Porto Rico and Guam.

-No seasoning on a refinance. No population requirement.

-Great program for SECTION 8!

-Loan gets better for affordable housing. Only need a 1.11 DSCR, 90% LTV on purchase or rate and term and refinance cash out capped at 80%.

-Closing time 4-6 months

## **8. NO SEASONING ON A REFINANCE RENTAL PROGRAM!**

**Fico:** 680+

**Loan Terms:** 15-year term (balloons after that). After every 5 years the rate is fixed again (prime +1). Interest rates are tied to prime. Loan amortized for 25 years.

**Loan Size:** \$100K to **No MAX!**

**Max LTV:** 75% for 1-4 units. **80% for commercial properties!**

**Debt Service Ratio:** 1.25 +. Lender does factor in a vacancy rate.

**Interest Rate:** 4.00% - 6.25%

**Property Types:** 1-4 UNIT INVESTMENT PROPERTIES! Lender also lends on pure commercial properties as well. **No gas stations.** Can do hotels if they are flagged.

**Pre-Payment Penalty:** **NONE!**

**Use of Funds:** Purchase, Refinance, **Cash-Out Refinance as well!** No renovations or ground up construction! Lender wants property to be fully renovated and rented or have leases signed with tenants ready to move in. Not big on paying off liens if that is what the investor needs the cash out for.

**Seasoning Requirement:** **NONE ON A REFINANCE!**

**Asset verification:** 3 months of bank statements (last bank statement must show down money, closing costs and reserves).

**Closing Timeframe:** 30-45 days!

**Territory:** DE, PA, Pittsburgh, MD (like Baltimore), Washington DC, Texas (Houston Area and borrowers home must be there too), Alabama, Georgia, Florida and some areas of NJ for now.

**Lender Fee:** **\$450 application fee is taken when commitment is issued. At closing the lender charges 1 origination point.**



<b><u>Liquidity Requirement:</u></b>	Does not have an exact requirement but they want the borrower to still have cash on hand after the closing.
<b><u>Special:</u></b>	All principles over 20% need to personally guarantee the loan. <b>Can consider working with foreign nationals as long as they are legally in the US and they must have US credit.</b>
<b><u>Required Loan Docs:</u></b>	To analyze the deal the lender needs upfront: 3 years tax returns (personal & business), PFS, Purchase and sales contract, past appraisals (if applicable), current leases, rent roll, Income and expense reports (Year to Date & Past 2 years). Lender does a global DTI. Property and tax returns need to debt service.

## **BANK ALTERNATE LOANS**

*Borrowers just missing bank guidelines.*

### **9. COMMERCIAL ALT 1 "STATED"**

<b><u>Fico:</u></b>	650 +
<b><u>Loan Terms:</u></b>	Up to 30 years AM. 5 & 30 yr. fixed options
<b><u>Loan Size:</u></b>	\$100K to \$5M ( <b>Deals under 500k, no DSCR analysis is done!</b> )
<b><u>Max LTV:</u></b>	75% Multi-family & mixed-use, up to a 70% LTV on all other property types (-5% for all cash-out, -5% for new borrower).
<b><u>Debt Service Ratio:</u></b>	1.25 ( <b>No DSCR analysis is done on purchase deals up to \$750k, and refinance deals up to 500k!</b> )
<b><u>Interest Rate:</u></b>	Multifamily and Mixed use= 6.49%-8.99%. Other property types= 7.99%-9.62%. Borrower can buy rate down to 4.49%. 1 point fee = .50% rate reduction (Maximum 1%). Add 25 bps to rate on a refinance. 25 bps to deals in NY, PA, CT, NJ, FL. Add 50 bps to the rate for loans under \$250,000.
<b><u>Property Types:</u></b>	Multifamily (5+ units), mixed-use, office, retail, warehouse, self-storage, automotive service (no old gas stations or underground storage tanks).
<b><u>Pre-Payment Penalty:</u></b>	For the 30 year term it is a declining PPP 5%, 4%, 3%, 2%, 1%. For the 5 year term it is a declining PPP 5%, 4%, 3%, 2%, 1%, 1%, 1%.
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Cash-Out Refinance
<b><u>Seasoning Requirement:</u></b>	1 year on a refinance.
<b><u>Asset verification:</u></b>	<b>No asset verification on a refinance. For a purchase the lender asks for 1 month of bank statements to prove the borrower has the down money and associated closing costs. They do not source where the down money has come from.</b>
<b><u>Territory:</u></b>	Nationwide except Illinois, Michigan, North Dakota, South Dakota and Vermont.
<b><u>Lender Fee:</u></b>	\$2995 closing fee, plus a \$1,500 environmental fee. \$600 doc fee.
<b><u>Special:</u></b>	<b>NO TAX RETURNS REQUIRED, All cash out available, Seller second up to 80% CLTV, seller assist 3% of total loan amount, population requirement 25k or 25miles of 100,000 city. No Bk's or short sales for the past two years.</b>



**Required Loan Docs:** Executive Summary, Current rent roll, 1003, Tri-merge credit report, Past two years operating statements & current year to date operating statements, Pictures of property.

## **10. COMMERCIAL ALTERNATE 2 “STATED”**

**Fico:** Minimum 600 (under 600 case by case, need to have strong asset and very good credit letter of explanation.)

**Loan Terms:** 25-year amortization. Fully fixed for 25 years! **Loans under \$100,000 the lender will only do a 15-year Amortization!**

**Loan Size:** \$25K to \$1.5Million. Min property value is 75k.

**Max LTV:** 70%

**Debt Service Ratio:** 1.25+

**Interest Rate:** 8%-10% typically (6.5% up to 11%). **8.25% for core program that is a fully fixed 25-year loan.**

**Property Types:** Apartment buildings, mixed use, retail buildings, office buildings, warehouses, light industrial buildings, auto repair shops (no gas stations), self-storage, funeral homes, day cares, restaurant/bar (like in a shopping center), mobile home parks, motels, hotels, bed and breakfasts, funeral homes, 2-4 unit investment properties. Can do churches as long as the property does not look like church. **No Auto Sales/Salvage Yards, No construction, No Gas Stations or properties that have old tanks, No Boarding Houses, No Raw Land, No properties with environmental concerns. NO SFR's!**

**Non-Profit Program:** Lender has a non-profit program that does not require a PG. They can lend on commercial property types where non-profits are ran out of, such as a YMCA, etc, but the lender cannot lend on actual church buildings for this program.

**Pre-Payment Penalty:** Step Down, 5, 4, 3, 2, 1.

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance

**Seasoning Requirement:** 2 years on a refinance. If the borrower needs a loan before that they will only receive 70% loan to cost. The lender will only lend 70% of the initial purchase price, plus 70% of renovations that can be proved with receipts.

**Special:** No income verification, all cash out available. CLTV's considered up to 80% on a case-by-case basis. Personal guarantees are required on all loans, besides the non-profit program. No Bk's or short sales for the past two years.

**Territory:** Nationwide except AL, AK, HI, WV, VT, NV, MI, ND. **No Cook County, IL!**

**Lender Free:** 0-1 point

**Closing Time Frame:** 2-3 weeks typically

**Required Loan Docs:** Executive summary, current rent roll, 1003, past two years operating statements, current year to date operating statement, pictures of property & Tri-merge credit report on all principles.

**Extra:** Lender services their own loans, they do not sell loans off!

## **11. COMMERCIAL ALTERNATE 3 (Back with a bridge program 1-10 Million)**

<b><u>Fico:</u></b>	600 +. (Sometimes the lender can go down to 550 if the reason for the credit being low makes sense. Borrower cannot have any mortgage lates on the subject property).
<b><u>Credit:</u></b>	Letter of explanation for credit dings. Lender cannot work with mortgage lates on the subject property. All other mortgage lates will need to be explained with a credit letter of explanation and must make sense.
<b><u>Loan Amortization:</u></b>	30 years
<b><u>Loan Terms:</u></b>	5, 7 & 10.
<b><u>Loan Size:</u></b>	\$200K to 5M.
<b><u>Max LTV:</u></b>	Up to 75-80% of appraised value or purchase price (lesser) for MF properties and 1-4 unit investment properties. 65-70% max LTV for all other commercial property types. LTV also depends on the documentation the borrower submits.
<b><u>Debt Service Ratio:</u></b>	Min 1.10x on 1-4 unit investment properties. 1.25 on commercial properties.
<b><u>Interest Rate:</u></b>	On average from 6%-7% on full doc loans (3 years of tax returns and 6 months of bank statements; 6.50%-9% on loans with no tax returns but 3 months of bank statements; 7.5%-10% on loans with no tax returns or bank statements required, (subject to market conditions).
<b><u>Property Types:</u></b>	Office, Retail, Industrial, Self-Storage, Single Tenant, Mixed Use, Mobile Home Parks, MF 5+, portfolio of SFR's -(each property value in the portfolio must be equal to or greater than \$125,000 & each property must support a loan amount of 100k; Minimum loan of \$500,000; properties must be in the same state & same general area. Must be 5+ Doors). No cannabis stores. Adult stores are ok.
<b><u>Pre-Payment Penalty:</u></b>	Step Down Prepay typically on commercial properties Ex. 5%, 4%, 3%, 2%, 1%. Step down on 1-4 unit investment properties, 3%, 2%, 1%.
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Refi Cash Out.
<b><u>Territory:</u></b>	Nationwide besides ND, SD, AK
<b><u>Seasoning:</u></b>	12 months on a refinance. If borrow needs to refinance before that the LTV will be reduced and the lender cannot lend off the fair market value.
<b><u>Lender Closing Fees:</u></b>	Typically 1.5 points.
<b><u>Liquidity Requirement:</u></b>	Lender typically wants to see 3 months of mortgage payments in the company bank account but this requirement can be waived if there is significant cash out going to the borrower at closing.
<b><u>Special:</u></b>	Lender offers 1 program for bank alternate customers and 2 programs for bankable alternate loans. Can do a refinance + purchase deal together.
<b><u>Blanket:</u></b>	Lender can potentially blanket 1-4 unit investment properties and investment properties as long as properties are in the same state and area. All commercial + resi portfolios, must have 5 doors, has to be 100k value per property. Can mix refi and purchase. Can mix the commercial and the 1-4 units on a blanket.

**Borrower Requirements:** Borrower must own primary residence on the 1-4 unit deals. For a purchase of a rental property, borrower needs to show they have owned a rental property in the past, no limit on past.

**Foreign Nationals:** Borrower needs to already own a property here. 65% LTV Max.  
**No fico scores are okay.**

**Required Loan Docs:** Loan Registration Form, Rent Roll, PFS, Tri Merge Credit Report, 3 years of most recent Personal and Business Taxes, past 3 years of I&E or P&L reports, Current year-to-date P&L or I&E, pictures of property.

**Extra:** This lender offers a stated income program and a low doc program, but rates and terms are determined on the documentation the borrower can submit. A payment plan with the IRS is okay as long as it is explained properly. Bk's are typically not allowed for 2 years. Lender can pay off tax/State liens with cash out!

## **12. 620-660+ Fico Rental Loan Program!**

**Fico:** 620+ (Capped at 65% LTV) 660+ mid fico score (Can get a 70% LTV). Borrower must be free of foreclosures, short sales, or deed in lieu for the past 3 years. No bks in past 4 years. Must have 2 fico scores and 24-month credit history.

**Loan Terms:** 30-year amortization. Fixed for 5 years, after that interest rate adjusts. **Lender also offers a full 30-year fixed option! Interest only options as well.**

**Loan Size:** \$50K to 10 Million.

**Property Value:** **Property must be worth at least \$75k (each property).** Lender does offer blanket loans but they need 2+ properties in order to blanket! Properties must be in same state in order to blanket.

**Max LTV:** Up 80% on a purchase, 80% on a refinance (with 740+ credit and stable leased property)—otherwise capped at 75% with 700+ credit and property value 110K+. Properties valued less than 110k lender can only extend up to 70% LTV on as long as it meets DSCR requirement.

**Debt Service Ratio:** 1.3 on the standard rental program. 1.15 on premier program.

**Interest Rate:** 5-6% range. **For larger portfolio loans 4-5% range.**

**Property Types:** Only 1-4 unit investment properties. SFR, 2-4 Unit Properties, **FNME Warrantable Condos, and Townhomes ONLY.** **5-8 units properties can be considered for larger portfolios and/or loans 1M+.** Do not lend on modular homes!

**Seasoning:** **6 months** to go off the market value; otherwise going off purchase + rehab (total cost)

**Pre-Payment Penalty:** Standard 5-year Step Down, 5%, 4%, 3%, 2%, 1%. **(but can be adjusted to 3 yr or 7 yr)**

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance

**Lending Territory:** Nationwide besides AK, ND, SD, NV, VT, Puerto Rico, and US Territories including Guam and Virgin Islands.

**Closing Time Frame:** 30-45 days

**Appraisal Cost:** \$550-\$750 per property

**Liquidity/Reserves:** **All loans now require 3 months of PITI payments on long term cash out transactions collected at closing. For loans over 500k sponsor net worth must be equal to or greater than 25% of loan amount.**

**Lender Points:** 1% for loans over 500k. 1.5% for loans under 500k. \$500 processing fee. Lender has a minimum origination fee of \$3,500.

**Experience:** Borrower needs to own their own home (for long term financing).

**Special:** Tax returns are requested but they are not underwritten off of. Property must be fully rehabbed and rented out. Borrower MUST close in a corporate entity! All members that are 19.9% or more of the entity will be underwritten. No Non-Arms-Length transactions! No subordinate financing allowed. **Lender does rehab and ground up as well.** For rehabs of 5+ units lender needs a 680+ mid score. On standard fix and flip deals they can go down to 620 for very experienced borrowers but on average minimum is 660+.

### **13. 1.00 DSCR RENTAL LOAN PROGRAM! DIRECT!**

**Fico:** 640 + for rental loans. 620+ for rehab loans.

**Loan Terms:** Amortized for 15 or 30 years. 5, 7 & 30-year fixed options. Lender also offers an interest only option if the borrower wants that.

**Loan Size:** \$50,000- \$2 Million. Property must be worth \$100,000 or more.

**Min. Property Value:** \$100,000

**Max LTV:** Up to 80% for purchases and rate and term refinances. 75% max LTV for cash out. Mid credit score also determines LTV.

**Debt Service Ratio:** 1.15 – 1.33 depending on property value and requested arm.

**Property Occupancy %:** 100%

**Interest Rate:** 5.99%+

**Property Types:** 1-20 unit investment properties including condos. Can lend on warrantable and non-warrantable condos. Mixed Use Properties. Property must be a C4 condition or better. Property cannot have more than \$5,000 of deferred maintenance.

**Pre-Payment Penalty:** 3%, 2%, 1%. **Borrowers can buy out the PPP by adding .25% to the rate for each year.**

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance

**Seasoning Requirement:** 6 months on a refinance.

**Asset verification:** 2 months of bank statements.

**Reserves:** 6-9 months of PITIA payments the borrower must have on hand prior to closing depending on what perm program they qualify for.

**Territory:** Nationwide except ND, Vermont, Utah, NV, Idaho.

**Lender Fee:** 1 - 4 points (depending on deal size) & \$1195 processing fee. Appraisal is upfront

**Special:** **Lender allows the borrower to close in their company name or personal name.** Right now this lender does not blanket multiple properties into one loan. **There is no limit to number of loans one borrower can have with this lender!**

**Foreign Nationals:** 5% LTV reduction on purchases. 10% LTV reduction on refinances. Can lend but LTV is capped at 60-65%. Must have US entity. Must have a valid passport, US Visa, have to have assets in a US Bank Account that total 12 months of reserves (mortgage payments).

**Borrower Experience:** Borrower must own their primary home.  
**Closing Time Frame:** 30-45 days  
**Required Loan Docs:** Lender loan application, copy of current leases, entity docs, 2 forms of ID, Purchase Agreement or Pay Off, Insurance (must have 6 months rent loss coverage), Title documents, etc.  
**Other Lender Programs:** Rehab loans. New construction loans. Term= 12-24 month interest only. Loan Amount= \$125,000-1.5M. Must have done 5 ground up deals in the past 3 years that sold for a profit.

#### **14. 3 MONTH REFINANCE RENTAL LOAN PROGRAM! DIRECT!**

**Fico:** **640+**. No mortgage lates in the past 12 months! No BK, FC in last 3 years. No Short Sales or Deeds In Lieu in last 3 years. Need 700+ for 80% LTV. **All members of the entity must pass a background and credit check.**

**Loan Terms:** 30-year-amortization with 5, 10 and full 30-year-fixed term options.

**Loan Size:** \$75K to 1 Million. **We do not offer blanket loans!**

**Property Value:** Property must be worth at least \$100k.

**Max LTV:** **85% max LTV on a purchase & rate and term refinance for CA, FL & TX. 80% on cash out refinance. LTV is determined by the borrowers credit and the DSCR on the property.**

**Debt Service Ratio:** **1.20+. Can go off the local market rent if property is AIR BNB!**

**Interest Rate:** **6.99%+. We can also offer interest only options.**

**Property Types:** Only 1-4 unit investment properties.

**Seasoning:** **New Appraisals are usually required but sometimes we can accept another appraisal. The below terms are always subject to the lender assigned LTV based off of the appraisal.**

- <3 months: Loan can be written as a delayed purchase and follow same as purchase guidelines if the loan is presented to the lender prior to purchasing the property all cash (i.e. up to 80% of purchase price). If the ownership is less than 3 months on a property the lender can only do a rate and term refinance at best; No cash out.

- >3 and <6 months: New appraised value can be used. DSCR must be 1.15 or greater and property must be leased.

- >6 and <12 months: New appraised value can be used.

**Pre-Payment Penalty:** 5-year PPP. 5%, 4%, 3%, 2%, 1%.

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance with above seasoning requirements.

**Lending Territory:** Nationwide besides Delaware, Idaho, ND, SD & Vermont.

**Closing Time Frame:** 30 days

**Reserve Requirement:** At least 2 months of PITI on a purchase transaction. **On a refinance no reserve requirement!**

**Appraisal Cost:** \$600-\$900 per property. Depending on how many units.

**Lender Points:** **1-2 Points usually unless micro loan under 100k! \$1,179 underwriting fee paid at closing.**

**Special:** Loans can only close in a corporate entity. No Secondary financing. As of right now we **do not** work with foreign nationals. We can work with permanent resident aliens.

**Extra:** If the borrower does not meet the lenders rental loan program requirements, we also have a hard money program they may qualify for. This program is based on LTV, Fico, State & DSCR.

### **15. 1 - 4 UNIT INVESTMENT PROPERTY LOAN PROGRAM**

**Fico:** 650+

**Loan Terms:** Up to 30 yr am. 3 and 8 yr fixed options as well.

**Loan Size:** \$75K to \$2M

**Max LTV:** 75% on a purchase! Max LTV is 70% on a refinance.

**Debt Service Ratio:** THERE IS NO DSCR ANALYSIS DONE ON 1-4 UNIT INVESTMENT PROPERTIES. THE LENDER WILL JUST GIVE THE BORROWER 70% OF THE APPRAISED VALUE ON A REFINANCE, AND 75% ON A PURCHASE. Due to this, this is a good program to put AIR BNB properties in.

**Interest Rate:** 6.50%+. Add .25 bps to the rate on a refinance and add .25 bps to deals in NY, PA, CT, NJ, FL. Borrower can buy rate down to 4.49%. 1 point fee = .50% rate reduction (Maximum 1%). Add 50 bps to the rate for loans under \$250,000.

**Property Types:** Residential investment properties only. SFR, condo, townhome, 2-4 units. SFR's can be vacant for this program! 2-4 units need to be 70% occupied to get into the permanent program. Can blanket 1-4 unit properties up to 6 properties. Can do down to a 50k loan amount per property on a blanket. Lender does not do partial releases on blanket loans.

**Pre-Payment Penalty:** For the 30 year term it is a declining PPP 5%, 4%, 3%, 2%, 1%. For the 5 year term it is a declining PPP 5%, 4%, 3%, 2%, 1%, 1%, 1%.

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance

**Asset verification:** 1-month bank statement on a purchase. On a refinance there is no bank statements needed. (no reserve requirement needs to be met).

**Seasoning Requirement:** 1 year on a refinance.

**Territory:** Nationwide except Alaska, Michigan, Minnesota, New Hampshire, North Dakota, South Dakota & Vermont.

**Foreign Investors:** Max LTV is 65%. Investor must live in the United States full time, own a personal home here and file taxes here.

**Lender Fee:** Closing fee of \$2,000

**Closing Time Frame:** 30-45 days

**Special:** NO TAX RETURNS REQUIRED! All cash out available, Seller second up to 80% CLTV, seller assist 3% of total loan amount, population requirement 25k or 25miles of 100,000 city. No bk's or foreclosures for 2 years. **No asset verification on a refinance. For a purchase the lender asks for 1 month of bank statements to prove the borrower has the down money and associated closing costs. They do not source where the down money has come from! Borrower can be a first time investor.**

**Required Loan Docs:** Executive Summary, Current rent roll, 1003, Tri-merge credit report, leases on property, Pictures of property (inside and out).



## **16. 1 Month Seasoning- Rental Loan Program (not really doing commercial right now)**

**Fico:** 680 + No mortgage lates in the past 12 months! Can have 1 mortgage late if fico score is 700+.

**Loan Terms:** 30-year amortization. 5, 7 (5 and 7 year arm offer a 3 and 1 year PPP and interest only options), and the 30-year-fixed. Commercial offers a 10 year fixed as well.

**Loan Size:** \$100K to 7 Million for 1-4 unit investment properties. 300k+ to 3M for commercial zoned properties. Can go up to 15M per borrower total exposure.

**Property Value:** Lender needs a min loan amount of 75k per property with a property value of 125k per property now. Blankets loans \$400,000+ and needs 4+ properties. Can only blanket refinance transactions.

**Max LTV:** Up to 80% on Purchases. Up to 75% on refinances & refi cash out. (70% LTV on refinances where the borrower has owned the property less than 12 months. Loan cannot exceed 100% LTC).

**Debt Service Ratio:** 1.2

**Interest Rate:** (6.00%-7.5%) Borrower can also buy the rate down now, for every point it takes the interest rate down .30 bps.

**Property Types:** 1-8 unit investment properties. Property must be on less than 2 acres of land. MF 5+ units, Mixed-Use, Retail, Office, Warehouse, Flex Space.

**Seasoning:** ONLY ONE MONTH!

**Pre-Payment Penalty:** 5% for 5 years if you choose the 7 year fixed, 5% for 5 years if you choose the 30 year fixed. All PPP's are a step down. If you want to raise the rate a little the lender will offer a 3 year PPP. 3 Year (3,2,1) on 5/1 and 7/1 arms. 1 Year (3%) on 5/1 and 7/1 arms.

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance

**Lending Territory:** AL, AR, AZ, CA, CO, CT, D.C., FL, GA, IA, IL (Chicago 125k min property value for a SFR, \$75k a door for 2-4 units), IN, KY, LA, MA, MD (Baltimore 100k min property value), ME, MI (Can't do Detroit & Flint) MO, MS, MT, NC, NH, NJ, NM, NY, OH (In Cuyahoga County including Cleveland, Dayton property needs to be worth \$150,000 or more), OK, PA (Philadelphia 100k min property value), SC, TN, TX, UT, VA, WA, WI, WV, WY. NY, NJ, VA, GA- client must close in an entity name. In other states they can close in a personal name.

**Closing Time Frame:** 30 business days

**Appraisal Cost:** \$500-\$600 per property

**Lender Points:** 2 points or \$3,500 (whichever higher) on loan amounts under \$175,000. Loans over \$175,000 the lender charges 2 points. Lender also has a \$1,645 underwriting fee per loan.

**Special:** Loans can close corporate entity or the borrowers personal name. Borrowers must close in an entity name in NJ, NY, MA, Virginia & Georgia. Can be used as a portfolio/blanket loan as long as all properties are in the same town and state. Lender has interest only options and a NO DSCR option. Can lend on short term vacation rentals! Secondary financing is not permitted. Can work with many different types of foreign nationals. Lender can accept appraisals for 120 days.



### **17. 80% LTV- Rental Loan Program**

<b><u>Fico:</u></b>	680+
<b><u>Loan Terms:</u></b>	30 year amortization. 5 and a full 30-year fixed option.
<b><u>Loan Size:</u></b>	\$75K to 2 Million. (500k+ for blanket loans)
<b><u>Property Value:</u></b>	Property must be worth at least \$75k (each property). Lender does offer blanket loans but they need 3+ properties in order to blanket!
<b><u>Max LTV:</u></b>	80% on purchase & rate and term refinance if mid fico is 740+. 75% on a refinance cash out
<b><u>Debt Service Ratio:</u></b>	1.00+
<b><u>Interest Rate:</u></b>	5.0%+
<b><u>Property Types:</u></b>	Only 1-4 unit investment properties. SFR, 2-4 Unit Properties, PUDs, Warrantable Condos, and Townhomes. Can do non-warrantable condos. No log homes!
<b><u>Property Values:</u></b>	The minimum purchase price for an SFR is \$100k. The minimum market value for an SFR for a cash-out refinance is \$110k. The minimum purchase or valuation for a 2-4 family is \$65k.
<b><u>Seasoning:</u></b>	6 months
<b><u>Pre-Payment Penalty:</u></b>	5-year (5%, 4%, 3%, 2%, 1%).
<b><u>Reserves:</u></b>	Borrower must have 12 months of PITI payments on hand prior to funding.
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Cash-Out Refinance
<b><u>Lending Territory:</u></b>	Nationwide besides Alaska, North Dakota, South Dakota, Nevada and Utah.
<b><u>Closing Time Frame:</u></b>	30 days
<b><u>Appraisal Cost:</u></b>	\$500-\$600 per property
<b><u>Lender Points:</u></b>	1 lender point with minimum \$2,000 origination fee. They also charge a \$1,495 closing fee (per property)!
<b><u>Experience:</u></b>	Borrower needs to own their own home and have 1 other investment rental. If they don't own a primary home, they need to own 3 other investment properties if it is a refinance transaction; if purchase, they need to own 2 other investment properties. If they have 6 months of ownership investment properties can be vacant.
<b><u>Special:</u></b>	Works with only Canadian foreign nationals. Can be used as a blanket loan if properties are in same general cities and state. Deals over 1M require 2 appraisals. Borrower cannot have any BK's or mortgage lates in the past 3 years. No tax returns are needed! Property must be fully rehabbed and actually rented out with a 1-year lease! Lender offers non-recourse loans with standard carve outs.

### **18. .75 DSCR RENTAL PROGRAM!**

<b><u>Fico:</u></b>	600+ (LTV is severely limited the closer borrower's mid score is to 600.) No BK's for 2 years. No foreclosures or short sales in the past 3 years. For States East of
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the Mississippi, no mortgage lates in the past 48 months and fico must be 640+. For the west coast – no mortgage late 12 months.

<b><u>Loan Terms:</u></b>	30-year amortization. 5, 7 and full 30-year-fixed options.
<b><u>Loan Size:</u></b>	\$100K to \$3M.
<b><u>Max LTV:</u></b>	70-75%. No lending on rural properties east of Mississippi.
<b><u>Debt Service Ratio:</u></b>	.75% DSCR. Lender offers another 30-year rental program that does not have a DSCR analysis, rates start at 7.5%+.
<b><u>Interest Rate:</u></b>	5.99% to 8.50% based on LTV requested and borrowers fico scores. LTV's range from 45% for the lowest fico score to 70% for the highest. For every one lender point paid at closing = .50bps rate decrease.
<b><u>Property Types:</u></b>	Residential investment properties only. SFR, Love condos- both types, townhome, 2-4 units. Property must show pride of ownership! Can lend on condotels with their hard money program. Can lend on Air BNB's at 55% LTV for refinance cash out.
<b><u>Pre-Payment Penalty:</u></b>	For 3 years. Option 1: 5% of the principle balance at that time in the loan. Option 2: 6 months of interest on 80% of the balance. No PPP in NJ. PP is for 3 years but to lower it to 2 years add .50bps to the rate, to lower it to 1-year add 1.00bps to the rate. If the borrower wants No PPP then they will be subject to a 1.00bps increase to the rate and will need to pay the lender an additional 1.75 points at closing.
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Cash-Out Refinance
<b><u>Asset verification:</u></b>	1-month bank statement on a purchase. On a refinance there is no reserve requirement.
<b><u>Seasoning Requirement:</u></b>	1 year on a refinance.
<b><u>Territory:</u></b>	AL, AR, AZ, CA, CO, CT, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MO, MS, MT, NC, NH, NE, NJ, NM, NV, NY, OK, OR, PA, RI, SC, TN, TX, UT, VA, WA, WI, WV, WY (Lending in Chicago, Baltimore & Hartford on a case-by-case basis only).
<b><u>Foreign Investors:</u></b>	Max 70% LTV on purchase, 65% on refinance, Max loan is 2M.
<b><u>Lender Closing Fee:</u></b>	\$1,495 Underwriting fee. \$555 doc fee
<b><u>Closing Time Frame:</u></b>	30-45 days
<b><u>Special:</u></b>	NO TAX RETURNS REQUIRED! Lender can lend to individuals, companies & family trusts. In Florida all loans must be made out to an entity.
<b><u>Loan Docs for LOI:</u></b>	Submission Form, 1003 w/ HDMA data (no income stated or liabilities) Tri-merge credit report, Current Rent roll and leases on property (must be arms length and at market rent), Pictures of property (inside and out), Borrowers ID.

## **19. LARGE PORTFOLIO Program 1.**

<b><u>Fico:</u></b>	660+ for main sponsor. All other guarantors must have a 660+. Foreign Nationals are eligible but max 60% LTV.
<b><u>Credit:</u></b>	Full tri-merge credit report. No Bk's or foreclosures in past 2 yrs.
<b><u>Loan Terms:</u></b>	30 Year Amortization. 5, 7, and 10 year fixed options that also balloon at the end of the term. Also offers a 30 year fixed option. Interest only options available

at a 65% LTV (1.35 DSCR for I/O).

<b><u>Loan Size:</u></b>	\$200,000 to \$100M. Minimum property value is \$100,000. 2 property minimum per transaction (1 Property if multifamily up to 20 units)
<b><u>Max LTV:</u></b>	Up to 75% on stabilized, leased properties. 60% Max LTV on vacant properties.
<b><u>Min DSCR:</u></b>	1.10% ** Interest only available at 70% LTV and below, 670 score needed
<b><u>Interest Rate:</u></b>	5.5-7% for Fixed Period
<b><u>Property Types:</u></b>	SFR, duplex, triplex, 4-unit, townhouse, MF 5-20 units. Property must be rent ready and legal confirming use.
<b><u>Leases:</u></b>	No individual room leases, Single Room Occupancy (SRO), or boarder leases are permitted. -Nightly and Weekly Rentals are not allowed (Airbnb, Vacation Rentals, etc.) -Properties may be leased to tenants on an initial term of at least one (1) month and a maximum initial term of three (3) years. -Leases containing a tenant purchase option will not be permitted.
<b><u>Min Property Values:</u></b>	\$50k for 75% LTV, the lender will not currently lend on properties at all that are under a 50k value.
<b><u>Pre-Payment Penalty:</u></b>	3 year PPP. Step Down, 3%, 2%, 1%.
<b><u>Seasoning:</u></b>	After 6 months of ownership this program will lend off full appraised value.
<b><u>Occupancy:</u></b>	10 or more doors = 90%. 5-9 doors = 80%. Multi-unit properties= 85%
<b><u>Use of Funds:</u></b>	Purchase, Refinance, Cash-Out Refinance
<b><u>Territory:</u></b>	Nationwide Except North Dakota, South Dakota, Alaska & Hawaii
<b><u>Lender Fee:</u></b>	1 point
<b><u>Special:</u></b>	Cannot lend on manufactured housing. <b>Release of an individual property</b> will be permitted upon prepayment by borrower of 115% of the allocated loan amount tied to the specific property. Section 8 housing allowed. Loan is assumable with lender approval with a fee of 10k or 1% of loan balance (whichever is higher). No income verification for loans under 2 million. <b>Substitution clause</b> – the borrower could sub out up to 20% of the portfolio with similar properties (same value or better and same rent or better) without incurring the prepayment penalty – now for this option you add .25 to the 5-year term or .15 to the rate on the 10-year option.
<b><u>Required Loan Docs:</u></b>	Executive Summary, Data Tape, PFS, Loan application, past two years tax returns on deals above 2 million (personal and business if applicable), Leases on all properties, Pictures of property, Tri-merge credit report, all corporate docs on new corporate entity that will be formed.

## **20. 30 YEAR FIXED COMMERCIAL LENDING PROGRAM!**

**Fico:** Mid score needs to be 650+ for one borrower. Lender uses higher mid score if multiple borrowers make up the company. All co-borrowers must have 640+ mid scores. Borrower can only have one 30-day mortgage late over the past 2 years. **If they have more than that this lender cannot lend.** Lender also runs background checks.

**Loan Terms:** 5, 15, 20, 25 and full 30-year fixed options! Lender typically does a 30-year amortization but can do shorter amortizations if the borrower wants that for 25 or 15 years. Lender also offers an interest only option. For the I/O the borrower will make interest only payments for the first 5 years of their 30-year term. The loan then transitions to a 25-year amortization schedule. Must do 30-year fixed in TN.

**Loan Size:** \$100K to \$5M. For pure commercial properties the minimum loan amount starts at \$250k. Deals over 1M lender needs a PFS and borrower has to show equivalent assets to the loan amount (Ex. If borrower needs a 2M loan, they need to have 2M worth of assets). Loan amounts 2-5 million require tax returns.

**Max LTV:** 70-75% typically. **If mid fico score is 725+ lender can do 80% on a purchase or refinance. NY has a 10% LTV reduction.**

**Debt Service Ratio:** 1.15 for fico over 700. 1.2 for fico under 700. Commercial properties must be 75% occupied for 90 days.

**Interest Rate:** 6.25+ (pricing is based on borrows mid fico score, LTV request, DSCR on property and property type). SFR pricing down to 4.625%.

**Property Types:** 1-4 unit investment properties. Retail, Mixed Use, Warehouse, Self-Storage, Office, Light Industrial, Mobile Home Parks. Can do **Automotive, Daycare Centers, Restaurants and Bars if properties are standing alone and have been in business for 5+ years! Commercial properties can be owner occupied.** Lender does offer a stated owner-occupied program but business fico must be 675+. Lender allows 10% deferred maintenance on commercial properties. Lender can sometimes blanket, but this is not their specialty. Can blanket 2-4 units but lender does not do portfolio loans per se. On pure commercial properties they can blanket if the properties are side-by-side. If the lender can blanket a max of 9 properties is allowed in one loan and they need to be in the same county. Per door has to be 45-55k. Can blanket just 2 properties. Really looking for 500k and up on the blanket loans that are allowed. Cannot mix a purchase and refinance as one transaction.

**1-4 Unit Properties:** Borrower must close in an entity name. Can do CONDOS now! No first time investors. A rental analysis will be done on these appraisals and lender will use 85% of the rental income reported on the 1007 form to determine the properties DSCR. For cash out property needs to be 100% occupied. For 4-units, & 3-units they do allow one unit to be vacant for cash out. Cash out on a SFR or 2-unit need to be 100% occupied. For a rate and term refinance or a purchase; the property can be vacant and lender will go off the 1007.

**Commercial Properties:** **No experience requirement~ Borrower can close in their personal name if they would like or entity name.**

**Pre-Payment Penalty:** Option 1 = 5% for 3 years (standard). Option 2 = Step Down 5%, 4%, 3%, 2%, 1% (reduce rate .125). Option 3 = 5% for 5 years (reduce rate .25).

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance. **NO LIMIT ON LTV FOR CASH OUT!**

**Asset verification:** Need 2 months of bank statements for purchase (verify down funds). Need 3 months of bank statements for refinances to verify 6 months of reserves and rental deposits if applicable.

**Reserve Requirement:** 6 months of principle and interest payments (cash on hand) required for purchases and rate/term refinance loans. Lender can waive the requirement for cash out refinance transactions where the borrower is getting more than 10 months of P&I back.

**Seasoning Requirement:** On pure commercial properties this is only 6 months if rehab has been done to the property with a Cap X form! Commercial properties must be 75% occupied for 90 days. On 1-4 unit investment properties the seasoning for cash out is 1 year. Anything over 10% of the closing costs is considered cash out (Ex. Tax liens or anything else on title).

**Territory:** Nationwide except DE, ID, HI, MI, MT, ND, SD, VT, WV, WY.

**Foreign Investors:** Not lending to foreign nationals at this time. Borrower must be a permanent resident alien or a US Citizen.

**Lender Fee:** 1 lender point and \$1,500 legal doc fee paid at closing. Lender requires environmental insurance. **APPRAISAL IS PAID FOR UPFRONT.**

**Closing Time Frame:** 30-45 days

**Special:** Tax returns are not required for every loan product. Pricing is better if borrower can submit tax returns. Lender just wants to make sure borrower is filing. **ALL CASH OUT AVAILABLE! ALL LOANS ARE ASSUMABLE! All loans are full recourse.**

**Required Loan Docs:** Executive Summary, Current rent roll, 1003/PFS, Tri-merge credit report, leases on property (lender will verify the tenant is collecting rent for 3 months), Pictures of property (inside and out), Appraisal, ID's, Entity Documents, Bank Statements, 2 years of business and personal tax returns (for better pricing) & Proof of property insurance. Any 25% or more owner must sign as a guarantor. Person signing has to be a part of the company and on title for 6 months (if refinance).

**Extra:** Lender offers a bank statement program. 8<sup>th</sup> difference in rate. Add up all the deposits, and take 30% of that. Back out large balances that are not normal for business. The 30% is then counted as the borrowers' effective gross income or AGI. **This is a good option for borrows that cannot submit tax returns.**

## **21. 0 POINTS LENDING PROGRAM! (Lender lowered rates!)**

**Fico:** 620+

**Loan Terms:** 25 to 30-year-amortization with 5, 7, 10 fixed term options. Lender can also offer a full 15-year fixed rate/amortization.

**Loan Size:** \$500,000 to 4 Million. This lender can offer blanket loans on 1-4 unit investment properties! Min property value on blankets is typically \$150,000 per property.

**Max LTV:** 65% LTV. 50% LTV on cash out.

**Debt Service Ratio:** 1.10 - 1.30+ for commercial properties. 1.0 for 1-4 unit investment properties! Properties can be unleased if they are 1-4 unit investment properties, lender will go off local market rent.

**Interest Rate:** 5.25%-7.375%

**Property Types:** 1-4 unit investment properties, Condos, Multi-Family, Mixed Use, Office, Retail, Warehouse, Light Industrial, Self- Storage & Mobile Home Parks.

**Seasoning:** 1 year.

**Pre-Payment Penalty:** Step Down. On the 5-year fixed it is 5%, 4%, 3%, 2%, 1%.  
On the 7-year & 10-year fixed it is 5%, 5%, 5%, 5%, 5%, 2%, 1%.

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance. Cash out is when the loan amount is 10% more than the pay-off.

**Lending Territory:** Nationwide besides ND, NV and SD

**Closing Time Frame:** 30-45 days (commercial properties will take a little longer)

**Reserve Requirement:** Typically 4 months of PITI payments.

**Appraisal Cost:** TBD by appraiser. Lender gets 3 quotes and goes with the lowest.

**Lender Points:** 0-2 points. **IN GOOD MARKETS LENDER OFFERS A PAR OPTION WITH NO POINTS!** Lender has a \$1,495 underwriting fee for commercial and \$495 for residential that is paid at closing. **If borrower wants a lower interest rate for every 1 point the borrower pays it lowers the % rate by .50 bps. The max buy down is 2 points.** If property is in a tertiary market lender does charge 1-2 points.

**Special:** Loans can close in a corporate entity or a revocable Trust. No Secondary financing. Lender can work with foreign nationals; Max 65% on a purchase & 60% on a refinance. Want foreign national to have US entity, US bank account and be filling taxes here. All loans are full recourse. Anyone 20% owner of the company or more needs to personally guarantee.

**Extra Lending Programs:** 1. Lender has a no DSCR program for areas with low cap rates. If borrower has a 680+ fico or higher the lender can do the loan without comparing the income and expenses at a 50% LTV. The No DSCR program is just for pure commercial properties. **2. Lender does 100% wholesale/transactional funding for 1-4 unit investment properties and pure commercial properties as well! They charge 2 points for transactional funding.** 3. Lender has a program for retail NNN lease deals. Can do 3-15 year fixed depending on the lease with a 30-year AM.

**LOI:** In order for the lender to issue a Letter of Intent they need 1. Their loan application 2. Their credit authorization form 3. Current Rent Roll 4. Current year Income and Expense Report 5. Personal Financial Statement on each borrower. Once borrower signs the LOI they then pay the lenders underwriting fee, an inspection fee for \$250, a title fee of \$750 and then the appraisal is TBD.

**Extra:** We have a new pricing bucket for Net Worth / Liquidity that offers a 25 bp rate cut for sponsors with Net Worth \$5M-\$10M and a .75 bps rate cut for Net Worth \$10M. Please NOTE however, sponsors will only get credit for their net worth up to 10x their liquidity. For example, if a borrower has a \$10M net worth but only \$200k liquidity, they will only get credit for a \$2M (\$200,000\*10) net worth.

## **SHORT TERM COMMERCIAL REAL ESTATE FINANCING**

### **REHAB/BRIDGE LOANS**



## **22. Rehab Line of Credit Program. 1 to 10 ratio!**

**Fico:** 580+ (During regular times, fico requirements can be higher during Covid)

**Loan Terms:** 12-24 months

**Loan Size:** \$5-10 Million. Each time you draw down 50k must be used from the line and and the ARV on the property must be 75k.

**Max LTC/LTV/ARV:** 90% Loan to cost. 90% LTV against purchase price & 90% of rehab. Loan capped at 70% of ARV.

**Interest Rate:** 8.49%+. Interest is just paid on what is drawn down from the line.

**Property Types:** 1-4 unit investment properties! This includes Single Family Homes, 2-units, 3-units, 4-units, condos and town homes.

**Pre-Payment Penalty:** None! No interest guarantee either!

**Use of Funds:** Purchase + Rehab & Refinance & Rehab & Ground up construction & Refinance cash out loans.

**Experience Verification:** Borrower needs to have closed at least 4 deals in the past year. Borrower should be a very active real estate investor. Investor will need to prove experience with Hud-1's.

**Lender Points/Closing Costs:** This lender charges a fee to close the credit line and set funds aside for the borrower. This is typically .5 to 1 point based on the line loan amount. Every deal after that lender charges .5 to 1 point per deal. Lender also has an \$895 processing fee that is paid at closing. They have a one-time legal fee of \$2,500. Draw and inspection fees are \$295 per inspection.

**Other Borrower Qualifications:** In order to qualify for the line the borrower must have liquid funds for 10% of the line amount. Once underwritten and approved the borrower does not have to be underwritten for another year. Each time they use the line they must be able to still prove down money and closing costs. The line is based off of a 1 to 10 cash ratio. If the borrower has \$100,000 in their bank accounts, lender will assign a \$1,000,000 line of credit for their future deals.

**Lending Territory:** AL, CO, CT, DC, DE, FL, GA, ID, IL, IN, KS, KY, LA, MD, MI (only stable markets) MO, NC, NE, NJ, NY, OH, OK, PA, RI, SC, TX, VA, WA, WI, WV, WY, UT. No western states.

**Closing Time Frame:** 2 weeks

**Special:** This is a transactional line of credit where in order to draw from the credit line a property must be identified and borrower needs to be in a purchase and sales agreement. A mortgage lien will be placed against each property identified.

**Extra:** Lender can hold additional collateral to help the borrower with the down money. Rehab budget can be higher than purchase price. Borrower can be adding square footage. If a septic system has to be replaced that is fine with the lender. This line of credit program helps real estate investors save on fees by locking in the interest rate and points on each transaction!

## **23. Bridge Program w/ No Formal Appraisal!**

**Fico:** No minimum fico score; but if the borrowers fico is very low the lender needs to understand why. Lender is very concerned about the borrowers exit strategy so if credit is low, they need to know how they plan to refinance the loan or how they plan to sell the property

**Loan Terms:** 1-2 years, interest only.



**Loan Size:** 2-20 Million

**Max LTV:** 70-75% LTV on a purchase and refinance

**Interest Rate:** 8-9% fixed, interest only

**Property Types:** 1-4 unit investment properties, MF (5+), Office, Retail, Mixed-use, Strip center, Light industrial, Self-storage. No land! No ground up construction, no specialty use (hospitality, senior housing)

**DSCR Requirement:** This lender does not have one and they can lend on vacant properties, but if the property is vacant and not producing income the LTV will be limited and the lender will most likely escrow the mortgage payments for some time as a reserve (a.k.a funds will be held back for an interest reserve for the lender to pay themselves each month for the mortgage payment).

**Pre-Payment Penalty:** No PPP but lender does want to receive 3-6 months of mortgage payments.

**Use of Funds:** Purchase, Refinance, Refi cash out & Rehab. Lender can lend up to 100% of the rehab dollars. Lender will only allow cosmetic rehabs and the property has to have a certificate of occupancy on it the whole time. This is not a program for ground up construction!

**Lender Points:** 1-2 points

**Lending Territory:** Nationwide

**Closing Time Frame:** 2 weeks

**Foreign Nationals:** Can lend to foreign nationals but they must already own property in the U.S.

**Appraisals:** Lender does not require full appraisals. Instead they order a broker price opinion of value and usually just need one.

**Extra Notes About Program:** Lender will lend to borrowers in a foreclosure or a bk if the story makes sense! Lender is okay with seller hold backs and mezzanine partners! This lender sometimes allows other lenders to take a 2<sup>nd</sup> behind them. No application or hidden fees.

**To Get Started:** Lender will need preliminary documents to evaluate the deal (address, loan amount, LTV, why the need for private money, what is the exit strategy, provide rent rolls, P&Ls, credit, PFS, Bio on principles, overall story around the deal). If the lender likes the deal they will make a written offer. A term sheet is only issued once initial underwriting is completed and lender likes the deal. Lender significantly analyzes the deal upfront before issuing a term sheet. Once term sheet is issued the borrower will need to pay upfront for third party fees (Legal, BPO, Survey, Title insurance, third party reports, etc). This is usually around 10k on commercial properties and will be laid out on the term sheet.

## 24. 5 Year Interest Only Bridge Loan

**Fico:** No minimum, but a low fico score needs to make sense!

**Loan Term:** 5 years interest only

**Loan Size:** 1.5 million +

**Max LTV:** 65%

**Interest Rate:** 5.875% – 7.5%

**Property Types:** Multifamily (65% LTV), Retail Anchored Essential Tenant (55% LTV), Medical Office (60% LTV), Warehouse (60% LTV), Industrial Self-Storage/Manufacturing (50-65% LTV depending on location), Data Centers (60% LTV), Community Health Facilities (60% LTV), Mobile Home Parks (60% LTV), and Mixed-use property types (65% LTV).

Not Eligible Property Types: Construction Loans, Hotels, Restaurants, Single Tenant Retail (providing non-essentials items), Gas Stations & Marinas

**Pre-Payment Penalty:** 6 months interest guarantee

**Use of Funds:** Purchase, Refinance, Refinance cash out.

**Points:** Typically 2 Lender Point. If loan is over 20M only 1 lender point.

**Lending Territory:** **Nationwide besides Hi. Can do the Virgin Islands.**

**Closing Time Frame:** 4 weeks for initial borrowers, much faster for repeat borrowers, only limited by how quickly the 'subject to' appraisal can be done.

**Experience Requirement:** Borrower must have done similar projects in the past 2 years.

**Asset Verification:** Last 2 months of bank statements.

**Special:** Borrower must close in a business entity. Lender does background checks on all borrowers. Lender can work with foreign nationals, but would discuss on a case-by-case basis.

**Extra:** Lender must be 1<sup>st</sup> position and will sometimes do a small second behind their own loan. Lender would be 1<sup>st</sup> and 2<sup>nd</sup> position. **All loans are non-recourse! No seasoning on a refinance or refinance cash out.**

## 25. Nationwide Small Balance Bridge/Rehab Program. DIRECT.

-Loan Amount: \$50k to 7.5M. Any loan amounts over 500k will require an additional review.

-Purchase Price: Must be \$90,000 or higher.

-Experience: Can lend to new rehabbers. Lender prefers if they have completed 3+ successful fix and flips in last 36 months. Rentals in past 3 years also count as experience. No land and no owner-occupied homes, or subject property. Half a point for projects done 4 years ago. Licensed GC's and Realtors get 1 credit.

-Lending Territory: Nationwide besides AK, MN, OR, SD, VT & UT. Judicial: Must include pledge of entity. Non-Judicial: Standard LTVs

**-FICO: 620+ (must have US FICO).**

-Rehab: Lender will always fund 100% of the rehab.

-Draws: Lender limits each project to 9 draws.

-Can lend to Foreign Nationals. If they have a green card no hit to LTV. Pure Foreign nationals will have a slight hit to LTV.

**-LTVs:**

-Purchase + Rehab: Up to 90% of Purchase Price + 100% of Renovation Costs; Not to Exceed 75% of the ARV.

-Refinance (no cash out)+ Rehab: Up to 72.5% As-Is + 100% of Renovation Costs; Not to Exceed 67.5% of the ARV

-Refinance Cash-Out + Rehab: Up to 65% As-Is + 100% of Renovation Costs; Not to Exceed 60% of the ARV

-Liquidity Requirement: 6 months verified reserves on top of whatever is due at closing

-Interest Rate: 8.25%+

-Lending Term: 12 months

-Property Types: SFR, 2-4 units, Condos, Townhomes, Mixed Use, Multifamily 5+ Units.

-Property Values: Within 2x of nearby sales prices

-Lender Points: 1-2

-Closing: typically 2-3 weeks for hard money rehab and bridge loans.

-No pre-payment penalty

-Cannot lend on mobile homes, even if they are permanently fixed to the ground.

-\$995 legal fee paid when commitment is issued.

-Lender also has a **rental program**. 75% on purchases and rate and term refinances. 70% on refinance cash out loans. Loans are amortized for 30 years. Fixed Terms are for 3, 5, 7, 10 and

-Lender has a 10-year interest only option as well. Refinance Only: 3 months seasoning if they used financing for the purchase; 6 months if they took the property down cash. Mortgage payments are escrowed for 12 months only for foreign nationals.

-On blanket loans each property has to appraise for at least 75k+. Total blanket loan needs to be 100k loan amount or over. 3+ properties to blanket.

-DSCR- 1.10+. Gross rents divided by PITIA payment. Can go off local market rents. Property needs to be rented out within 9 days or rate goes up 2% on loan.

**-Ground Up Construction Program:** Loan Amount= 50k to 3M. Fico= 680+ for at least one partner. PG's cannot have any foreclosures in the past 36 months. No bk's, short sales, deed in lieu of foreclosure in the past 24 months. Term= 12-24 months (The longer the term the higher the rate). Rate= 7.99%+. Only pay interest on funds drawn down on! Can build into the loan an interest reserve. Max Loan Amount 75% of ARV or 90% LTC, whichever is the lessor. Property Types= SFR, 2-4 units, Condos, Townhomes, Mixed Use, Multifamily 5+ Units.

Experience required= Must have done at least one ground up construction project. Experience can go back farther than 3 years! Borrower needs to have been on title. We can work on builders that don't have any ownership experience but pricing will still be viewed as a new borrower.

Roads need to already be in place. Water/Sewer/Well Septic must be lateral at time of loan, meaning all lines need to be tapped into already. Borrower needs to have entitlements,

architectural plans and permits before we can close the loan. All projects will require a property survey (borrower needs to check with their title company to see what this will cost), feasibility study, and contractor review (\$600). All loans also require an environmental screening report (\$150). Each project is limited to a max of 9 draws. Each draw will include a title rundown no

make sure there are no mechanics liens on the property, or any other liens. Subdividing of lots must be done prior to funding of the loan. Minimum return on investment according to appraisal must be 15% to lend. Construction budgets need to include a 10% contingency (property insurance and taxes are not to be included in the construction budget). Soft costs within the budget are limited to 15% of the total costs (plans, permits, anything that is not actual hard construction costs). Loans over 1M will require an escrow for taxes and insurance. Seasoning on the land is 24 months and is considered a delayed purchase, any land owned more than 24 months will be considered a refinance. This product can work with deals where the borrower will tear the current property down and this cost can be included into the construction budget for the

borrower to be refunded on. Borrowers at closing can get 75% of the price of what they paid for the land.

## **26. BRIDGE LOANS FOR NON-STABILIZED PROPERTIES OR SITUATIONS!**

**Fico:** No minimum fico score; but if the borrowers fico is very low the lender needs to understand why.

**Loan Terms:** 1-3 years, interest only.

**Loan Size:** 1- 20 Million (3-15 million is sweet spot)

**Max LTV:** 75% (can go off of appraised value instead of purchase price, case-by-case). Will consider other lender's appraisals.

**Interest Rate:** 7.75% +

**Property Types:** MF (5+), Office, Retail. Manufactured Home Communities, Industrial, R&D Flex, Self-Storage (other assets considered on a case-by-case basis). Lender prefers investor versus owner-occupied properties. **No hospitality for now!**

**Pre-Payment Penalty:** 12-month yield maintenance (negotiable shorter based on deal strength and business plan)

**Use of Funds:** Purchase, Refinance and Refi cash out.

**Lender Points:** 2 points.

**Lending Territory:** Nationwide

**Experience Requirement:** The borrower must have done a similar deal in the past 2-3 years.

**Closing Time Frame:** 2-3 weeks

**DSCR Analysis:** Lender likes to see 1.05%

**Foreign Nationals:** Not as of right now

**Extra Notes About Program:** Storied loans, partner buy-outs, can do cash out. Loan can provide funds for rehab, tenant installation and/or interest reserve. Lender does not like 100% vacant properties. Should be at least 50% occupancy to make deal work. No ground up construction. No land deals. Lender must always be first position and does not allow a 2<sup>nd</sup> behind them! **Can potentially deal with light liquidity if mortgage payments on deal are able to be escrowed. Loans are preferred to be non-recourse with standard carve outs.**

**Process:** Docs needed to provide LOI/Quote: Rent roll, summary (need borrower's business plan/exit strategy), operating statements (current year to date plus prior 2 years), PFS, credit background, borrower bio/experience with property and managing commercial real estate.

## **27. Rehab Loan Program w/ Advance Draw For Gold & Platinum Borrowers! DIRECT!**

**Fico:** 660+ (mid score). All other members must have 600+ fico. **All members of the entity must pass a background and credit check.**

**Loan Terms:** 6 - 24 months

**Loan Amount:** \$75K to \$2 Million. Any deal over 1M needs management approval.

**Max LTV/ARV:** We typically finance 80-90% of the purchase price and 100% renovations (based on borrowers experience tier). All loans are capped at 75% ARV. Max LTC is 90% depending on experience tier. Loan will also be the lessor of the ARV, LTC or eligible program.

**Interest Rate:** 8-11% based on experience. 8% for platinum borrowers. (Min interest rate in NY, NJ & PA is 9%). Interest is charged on the full loan amount from day one.

**Property Types:** Only 1-4 unit investment properties! This includes Single Family Homes, 2-units, 3-units, 4-units, condos (with HOA approval) and town homes. Condo Conversions Welcomed.

**Pre-Payment Penalty:** None!

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance & Rehab, Purchase & Rehab, Delayed Purchase.

**Asset verification:** **No asset verification required.** Lender actually requires now that all mortgage payments are rolled into the total loan amount for the term of the loan.

**Lender Points:** 1-2 points. \$1,179 closing fee as well.

**Lending Territory:** Nationwide except (except DE, ID, ND, NV, OR, SD, UT, VT is \$1M-2M only).

**Draw Fee:** \$200-\$300 a draw. Can be up to \$350 in rural areas. Draw fee comes out of the draw borrow is receiving. Wire fee.

**Closing Time Frame:** 14-21 days!

**Special:** No mortgage payments out of pocket. Experienced borrowers are eligible for advanced rehab draws. First draw funds within 3 days of closing.

**Experience Tiers: Bronze:** 0-1 fix and flips or fix and holds completed in past 36 months.

**Silver:** 2-4 fix and flips or fix and holds completed in past 36 months. **Gold borrower:** 5-9 fix and flips or fix and holds completed in past 36 months. **Platinum borrower:** At least 10 fix and flips or fix and holds completed in past 36 months.

**Borrower Experience:** Flip experience is based on sold properties in past 36 months that turned a profit. Current rentals properties can also count towards a borrowers' experience but the lender will only consider cash-flowing rentals that they acquired over 12 months ago.

**Extra:** We can finance wholesale fees up to the lessor of 10% or \$50,000! Borrower can do 10 deals at once with us! Purchase price can be less than the rehab amount for any borrower w/ management approval.

**Ground Up Construction Loans:** Loan Amounts= \$100k to 1M. Interest Rate= 8%+. 90% LTC or 75% Completed Value of property, whichever is the lessor.

## **28. Up to 2 years Bridge Loan!**

-Loan Amount: \$100k to \$4M

- Fico: Typically, 600 plus but exceptions can be made if the story makes sense.
- LTV's: 50-70% max LTV. Lender can take a second lien position in addition to a first lien that helps get more proceeds for the borrower. 75% CLTV, cross collateralization, including subordinate position liens, can also be structured.
- Interest Rate: 12% - 14%
- Term: 1-5 years, with extension provisions assuming good performance and viable cashflow.
- Lending Territory: NY (Southern), NJ, PA (Eastern + Central), DE, MD, DC, VA (Northern), FL (Southern).
- Property Types: 1-4 unit investment properties, MF 5+ units, Office, Retail, Industrial, Funeral Homes, Gas Stations, Mixed Use, Day Cares, Warehouse, Special Use Properties, Auto Repair/Auto Body, Dry Cleaners, Self-Storage, Mobile Home Parks. Hotels/Bars/Restaurants and strip clubs are still on hold for us.
- Lender Points: 2
- Pre-Payment Penalty: None
- Experience Requirement: Borrower must have done a similar deal in the past 3 years.
- Use of Funds: Quick bridge, loan purpose can be for environmental clean-up.
- Line of credit:
  - 1<sup>st</sup> lien position against real estate. 2<sup>nd</sup> lien positions with significant equity can also be included to increase loan amount.
  - Collateral: See property types above
  - Proceeds- Must be for business purpose
  - Interest- Borrower will pay interest on only what is extended out on the line, no PPP

## **29. Rehab Lending Program Allowing Seconds!**

- Fico:** No minimum
- Loan Terms:** 6-18 months, interest only. Most terms are 12 months.
- Loan Size:** \$100K +
- Max LTC:** Rehab= 80% LTC or 65% of ARV, whichever is smaller. Ground up= 75% LTC or 65% of ARV, whichever is smaller.
- Interest Rate:** 9-12%; Interest rate is determined by investors experience & the leverage they are requesting.
- Experience Requirement:** Borrower must have done a similar deal in the past 2-3 years.
- Property Types:** Only 1-4 unit investment properties for this particular rehab program. Lender also offers lending programs for 1-4 unit ground up and multifamily.
- Pre-Payment Penalty:** None!
- Use of Funds:** Purchase, Refinance, Cash-Out Refinance & Rehab
- Asset verification:** Depends on borrowers experience. 3 months of bank statements.
- Points:** 2-3 lender points (depending on program).
- Lending Territory:** AL, AR, CO, CT, DC, DE, FL, GA, IA, IL, IN, KY, LA, MA, MD, MI, MO, MS, NC, NE, NJ, OH, PA, SC, TN, TX, VA, WV & WY.
- Closing Time Frame:** 10 days for 1-4 unit investment properties. 21-30 days for pure commercial properties.

**Appraisals:** Needed in order to close

**Special:** This lender also has a ground up construction program for 1-4 unit investment properties and Multi-Unit (5+units) new construction.

1-4 unit new construction general terms are:

- 50% of lot acquisition
- 100% of construction costs
- Max ARV: 70%
- LTC Limit: 85%
- Will thoroughly vet out contractor and team.

Multi-Unit new construction

- 50% of lot acquisition
- 100% of construction costs
- Max ARV: 65%
- LTC Limit: 85%
- Will thoroughly vet out contractor and team.

**Extra:** Lender works with new investors although prefers experience. Works with foreign nationals. Lender allows a second mortgage behind them. Lender also allows for JV agreements, seller financing, can cross collateralize for 100% financing.

### **30. Small Balance, High Leverage, Rehab/Bridge Program**

**Fico:** 600+. **This lender allows the borrower to have \$10,000 of unpaid debt, but no more than that!** No more than four 60-day lates in the last 2 years. No felonies, No fraud! Anyone over 25% owner of the entity has to PG. **Will be a soft pull on an entity with a PG, no affect to credit.** Lender can go off credit score for the majority owner or the middle score of credit score of the entity if no PG.

**Loan Terms:** 12, 18 & 24 months, fixed interest only

**Loan Size:** \$50K to \$3 Million. Construction budget cannot be over \$500,000.

**Square Footage:** House can be up to 5,000 sq. ft.

**Max LTC/LTV:** **Lender will finance up to 90% of the purchase price & 100% of the construction budget (done in draws);** Loan amount cannot exceed 75% of the ARV (After repair value) of the property. Purchase w/ no rehab= 70% LTV. Refinance as is= 65% LTV.

**Interest Rate:** 7 -11%; Interest rate is determined by investors experience, location & the leverage they are requesting.

**Property Types:** Only 1-4 unit investment properties! This includes Single Family Homes, 2-units, 3-units, 4-units, condos and town homes.

**Pre-Payment Penalty:** None!

**Use of Funds:** Purchase, Refinance, Cash-Out Refinance & Rehab

**Asset verification:** Depends on borrowers experience. 3 months of bank statements.

**Experience Requirement/ROI:** Lender counts investment properties rehabbed and sold in the past 2 years as experience. Property cannot be bought longer than 3 years ago. Lender only considers 1-4 unit investment properties as past experience, not commercial properties! Return on investment has to be 1.2 for Tier 4 borrowers. Tier 3= 1.15 ROI. Tier 2= 1.10 ROI.



Tier 1= 1.0 ROI. **Lender is lending to Standard Tier borrowers 0-4 flips and pro borrowers 5+ flips in the past 2 years.**

**Experience Tiers:** Tier 1/Pro= 10 + exits, ARV cap of 75%; Tier 2/Plus= 4-9 exits, ARV cap of 75%. Tier 3/ Standard= 1-3 exits, (Construction restriction if borrower is doing work to the foundation, adding or removing walls, adding square footage or if the rehab budget is more than 50% of the purchase price, they will be capped at 5% less on the max Arv). Tier 4/Access= No experience. 12%+ Construction restriction is limited if borrower is doing work to the foundation, structure, adding or removing walls, adding square footage, if the rehab budget is more than 50% of the purchase price, they will be capped at 5% less on the max ARV).

**Liquidity Requirement:** All borrowers need down money and closing costs. **Large deposits Do Not have to be seasoned.** Tier 1 Reserve Requirement= \$25,000. Tier 2-4= \$15,000. The reserve requirement is NOT in addition to down money and closing costs.

**Lender Points:** 1.5-2.5 lender points (depends on borrowers credit, experience and deal size).

**Lending Territory:** **AZ, CA, CO, CT, DC, FL, GA, IL, KY, MA, MD, MI, MN, MO, NC, NJ, NV, NY, OH, OK, OR, PA, SC, TN, TX, VA, WA, and WV.**

**Closing Time Frame:** 5-15 days based on borrowers experience!

**Appraisal/BPO:** Lender typically just orders a desktop BPO on a purchase, which costs \$350. On a refinance they do a full appraisal which is \$600-\$700 if property is owned for longer than 6 months. If we are dealing with a severely damaged property a full appraisal will be required. Lender use mercury appraisal company.

**Special:** NO JUNK FEES! This loan program is only for bridge and rehab deals. This is not a program for ground up construction. Lender's closing fee is based on experience, but ranges from \$499 to \$1,195. **Pro and plus borrowers can have up to 5M of loans at one time with this lender.**

**Docs:** Lender does not need a lot of docs at all.

**Draw Process:** Borrower can do this through the website or an email address. Fill out a scope of work for what has been completed, send in & then an agent comes out. The draw free cost is taken from the disbursement of their draw. Keep copies of receipts and invoices from contractor. Lien waiver requested on every draw so they cannot claim a mechanics lien on the property. **Draw Fee: \$199 per draw.**

**Extra:** Cash out must be used for real estate purposes. **This lender allows the borrower to close in a personal or entity name! FL, MN, OH, VA & NJ deals must close in an entity name.** Lender can work with Foreign Nationals but they need proof of permanent residency. Lender can lend on assignment fees. Wholesaler cannot be related to any other parties. Seller concessions over 15% require due diligence. **Lender also has a permanent rental loan product, 640+ fico score, need 700+ for 75% LTV. 4.25%+. Up to 80% LTV for purchase and refinance. 75% LTV for cash out. 4 months seasoning on cash out. 30 year amortization. 5, 7 and 30 year fixed. Lender can go off of the local market rent if property is not leased.**

### **31. Rehab/Bridge program that accepts appraisals from the past 90 days! Will take 30 days to close.**

**Fico:** 600+ (mid score). Borrower must be at least 1 year removed from discharge or dismissal of a BK. Low fico severely lowers the LTV.

**Loan Terms:** 12-24 months, interest only

**Loan Amount:** \$100K to 7M

**Max LTV/ARV:** Lender typically finances 75% of the purchase price and 100% renovations (renovations are done in draws). The loan amount is capped at 70-75% ARV! 65%-70% on refinance cash out. Each rehab deal the borrower must have an ROI of 15% for lender to lend.

**Interest Rate:** 8.99%+

**Property Types:** 1-4 unit investment properties! This includes single family homes, 2-units, 3-units, 4-units, condos (with HOA approval) and town homes. Multi-Family properties 5-50 units.

**Pre-Payment Penalty:** None!

**Use of Funds:** Purchase, Refinance, Refinance Cash-Out, Refinance & Rehab, Purchase & Rehab.

**Asset verification:** 2 months of bank statements

**Lender Points:** 2 typically. Lender also has a \$950 processing fee & \$995 document preparation fee. All fees are paid at closing besides an upfront \$75 credit check that is taken at time LOI is issued.

**Lending Territory:** Nationwide except North Dakota, South Dakota & Alaska

**Draw Fee:** \$200 a draw

**Closing Time Frame:** 10 - 14 days

**Special:** This lender can offer the same LTV's to foreign nationals. Foreign nationals do not have to physically live in the United States. Lender likes to roll all interest only payments into loan.

**LENDER CAN ACCEPT APPRAISALS 90 DAYS OLD AS LONG AS THEY ARE RE-ASSIGNED TO THEM! Not a heavy document lender!**

**Borrower Experience:** Flip experience is based on bought, rehabbed and sold properties in past 36 months that turned a profit. Lender likes to see 3 or more flips to offer 85% leverage on the purchase price.

**Extra:** Lender also offers ground up construction loans and permanent rental loans (Amortized for 30 years. Fixed Terms are 3, 5, and 7 years. Rates are 5.33%-7%. PPP is a step down and can be bought down). All loans must close in an entity name. Loans are not assumable. **LENDER ALLOWS GAP FUNDING ON BRIDGE LOANS! LENDER CHARGES \$75 AT THE TIME OF LOAN APPLICATION TO RUN BACKGROUND AND CREDIT.**

### **32. Bridge Lender That Doesn't Pull Credit at All!**

**Fico:** No min fico! **LENDER DOES NOT PULL CREDIT AT ALL!**

**Loan Terms:** 12-36 months, interest only. Right now lender is not doing more than 2 year terms.

**Loan Amount:** \$1M to 25M

**Max LTV:** **85% LTV. Right now during Covid, 70% max LTV.**

**Interest Rate:** 8%+. During Covid typically 10%

**Property Types:** 1-4 unit investment properties! Office, Industrial, Retail, Multifamily, Mixed-Use, Self-Storage, Manufactured Housing, Gas Station, Convenience Store & Land (only 50% LTV and need to cross collateralize another property).

**Pre-Payment Penalty:** Lender does ask for a 6-9 month interest guarantee but no PPP per se.

**Use of Funds:** Purchase, Refinance, Refinance Cash-Out, Rehab & Ground Up Construction. Lender is very selective on ground up deals.

**Lender Points:** 2-3 typically

**Lending Territory:** Nationwide

**Closing Time Frame:** Typically 14 days. Larger commercial properties may take 30 days.

**Special:** This lender can offer the same LTV's to foreign nationals. **Foreign nationals do not have to physically live in the United States.**

**Borrower Experience:** Lender likes borrowers that have a robust personal financial statement and own several investment properties that have equity in them.

**Cross Collateralization:** Lender cross collateralizes properties all the time! They can lien against most additional collateral and even a borrowers' personal home. Can put a 2<sup>nd</sup> on additional collateral. A cash value insurance policy can also be cross collateralized.

**Extra:** Lender can finance note acquisitions.

### **33. Commercial Rehab Program Lending Off The Completed Value!**

-Fico: Minimum Credit Score of 620. Past or current Bankruptcy okay.

-Property Types: Multifamily is preferred, Mobile Home Parks, Office, Self-storage, Industrial, Mixed-use, Medical Office, and Parking. NO Land, Agriculture, Churches, Entertainment, or Special Use.

-Loan Amounts: \$1,000,000 to \$15,000,000

-LTV: 95% LTC or 75% LTV - Based upon fully stabilized value!

-Use of Funds: Purchase; Refinance; Rehabilitation Stabilization; Expansion; Situational. **Will not do tear downs and ground up. Lender does not allow gap funding.**

-Interest Rates: 7.99% - 9.00% current fixed rate (interest only)

-Lender points: 3-5 points to lender at close. 1-3 exit points and/or PIK interest (with possible equity position).

-Term: 1-3 years.

-Lending Territory: U.S. only – Top 200 MSA's.

-Underwriting: Stabilized or Growth areas, Senior Position; Full Documentation; Full Recourse, Reserves required (may be financed), Prepaids up to 12 months.

## **GROUND UP CONSTRUCTION LOANS**

*Construction financing is not a core niche of CRE ADVISORS and 11 Capital, but offered as a convenience only.*

### **34. Up to 5 Million Line of Credit for Ground Up Deals!**

**Loan Amount:** Up to 5 million

**Structure:** Revolving; advances repaid may be re-borrowed subject to restrictions during final year.

**Term:** 5 years. Draws allowed throughout the 5 years. No new projects after 4 years.

**Fico:** No minimum fico but lender is seeking builders with a 650+.

**Fees:** 2.8% (or less) on committed loan amount on the entire line. Due at closing but deferred payments are possible. That is the SBA's fee. Brokers can only charge 1 broker point.

**Property Types:** For builders looking to build 1-4 unit investment properties. This includes condos and townhomes.

**Upfront Qualification:** Sufficient positive and profitable history with 1FBUSA project loans. Be a construction contractor or homebuilder that shows good character, credit, management, experience, technical ability, and ability to service the line of credit at the requested Size.

Potential requirement to hold collateral properties in newly-organized bankruptcy-remote, special purpose LLC.

**Ground Up Experience to qualify for loan:** Borrower needs to have done 20 plus ground up deals since 2012.

**Conditions Precedent & Eligibility:**

Funds may NOT be used to refinance existing debt.

New, for-sale residential construction in approved state(s).

Minimum as-complete value per home/unit of \$100,000/\$75,000. Valuation ordered by, and found acceptable by, 1FBUSA.

On-site supervision by a Guarantor and/or supervisory employee. Otherwise customary for such a transaction including credit approval.

**Interest:**

Charged on drawn funds only.

Rate chosen & locked-in for 5 years (no modification):

6.99% if 4% CCA & LTV Limit reduced by 4%.

8.99% if 2% CCA & LTV Limit reduced by 2%

10.99% if 1% CCA (min. of \$35,000)

**CCA:** The Cash Collateral Account or CCA is borrower funds held by lender as additional collateral. Expressed as percentage of Size.

**Max ARV Limits:** Land typically always needs to be taken down cash and have no debt on it but depending on the properties completed value once it is built the lender can lend a max of 65-75% of that towards the construction budget. A max of 33% of the lot can be financed on certain deals. The borrower still needs to start construction with their own money and they will be reimbursed in draws for work completed.

**Payments:** Interest payments to be made at least semi-annually. Closing Fee is financeable (until project repayments begin).

**PPP:** None

**Recourse:** Full recourse to all 20%+ owners.

**Lending Territory:** Nationwide besides South Dakota.

**Closing Time Frame:** 60 days

### **35. Deferred Interest Ground Up Construction/Rehab Program (Due to Covid-19, no fix and flip loans now).**

**Loan Amount:** \$75,000 - \$3,000,000

**Term:** 10 Months + 4 month extension (for every 4 month extension the borrower pays 1 point)

**Borrowers Fico:** Lender is not fico driven but if the borrower has low fico this will negatively impact the leverage the lender will give them.

**Interest Rate:** The applicable annual rate will be 4.99% for the first month, increasing 0.50% for each subsequent month, up to a maximum annual rate equal to the lesser of: (i) 8.99% and (ii) the maximum amount permitted under applicable law. Interest will accrue daily on the unpaid principal balance of the Loan. Accrual will be an actual/365 basis. The monthly Interest Rate schedule is tied to the date of the loan agreement. Default interest will be the lesser of: (i) 18% and (ii) the maximum amount permitted under applicable law.

**Property Types:** Only 1-4 unit investment properties. Can only build 4 homes at a time with the build new program.

**Max LTV:** This lender will finance up to 80% of the construction costs (LTV is based on borrowers ground up experience since 2011. Lender will not count a borrowers ground up construction experience prior to 2011).

**Experience:** Borrower must have completed 5 ground up deals successfully since 2011.

**Lender Points:** 2 points (can be paid at the maturity of the loan!). Broker points must be paid at closing though.

**Equity Requirement from borrower:** 8-25% of the construction cost (based on borrowers ground up experience). Lender will count the land purchase as part of the borrowers equity requirement into the project.

**Recourse:** Limited Recourse Possible. Lender will only lend to a US corporate entity; not to individuals.

**Lending Territory:** Nationwide with the exceptions of the following states: ND, MS, WV & VT.

**Lot Purchase:** The lender wants the borrower to already own the land and have all approved plans and permits. The purchase of the lot will be counted towards the borrowers equity requirement. For repeat borrowers the lender will finance 50% of the lot purchase on a case-to-case basis.

**Draws:** No cost to the borrower for the first 8 draws (Lender pays for the inspection fee). If borrower needs more than 8 draws, the lender can accommodate, each additional draw will cost the borrower \$150.

**Other:** Interest and fees can be paid off at maturity. Borrower only pays interest on what they draw down on. Terms are different in TN. The borrower must buy the land first and get all approved plans and permits on the land. The lender will credit the land purchase as part of the borrowers equity requirement. Lender does not have a set liquidity requirement. LENDER WILL LEND ON MODULAR HOMES!

**Rehab Loans:** This same lender also does rehab loans. **Loan Amounts:** \$100,000-\$350,000. Purchase price of the property must be \$100,000 or more. **Term:** 8 months (4-month extensions available). **Interest Rate:** 8.99% for new borrowers. 5.99% for repeat borrowers. Interest only charged on funds drawn down on. **Lender Points:** 1.5%. **LTC:** Lender will finance 80-85% of the purchase price and 100% of the rehab (rehab is disbursed in draws). **Closing Time Frame:** 2 weeks. **Extra:** Interest and lender fees can be paid at the maturity of the loan. Full recourse

loans. If rehabber is new the lender will count the GC's rehabs as experience. Can't do refinance + rehab if property is owned for more than 6 months.

**Build to Rent Program:** Loan amounts up to \$2,500,000. Loan term is 7 (5+2) or 12 (10+2) years: 5 years fixed at 5.00% or 10 years fixed at 5.25% + a 2 year extension at borrower's option. Rates assume 740+ credit. The extension rate floats at the greater of the initial period rate and Prime +1%. Max 88% LTC.

### **36. 75% LTC Program Construction Program**

- Loans are available to Borrowers with excellent to less than perfect credit
- Flexible draw schedules
- Owner and Non-Owner-Occupied commercial properties are eligible
- Lender prefers to offer ground up construction loans on 1-4 unit investment properties but will consider commercial properties as well.
- The borrower must be liquid for 25% of the total project cost (plus closing costs). If the purchase price is \$100,000 and the construction is \$100,000, the total project cost is \$200,000. The lender will fund 75% of the total project cost which is a loan amount of \$150,000. The borrower must put the 25% of the total project cost towards the purchase price, so in this scenario 25% of the total project cost is \$50,000, which needs to be put down on the purchase. Be advised the lender does not always offer a 75% LTC, sometimes it is only a 70% LTC
- Up to 18-month terms available (longer terms available on an exception basis)
- Rates: 7.95%-10.95% (Based on overall qualifications)
- Lender Points: 1.25-2 points (Based on the loan amount)
- Land purchase may be included in the construction loan, up to 55% of the lot purchase price.
- Borrower must have completed 3 successful ground up deals in the past 3 years.
- Cross collateralization allowed on other properties, if needed, for maximum or greater loan amounts
- Interest only payments based on funds drawn
- Loan amounts from \$100,000 to \$4,000,000
- Loans available in the following states: AK, AL, AR, CA, CO, CT, DE, FL, GA, HI, IA, ID, IN, KS, KY, MA, MD, ME, MI, MO, MS, MT, NC, NE, NJ, NM, NY, OH, OK, OR, PA, RI, SC, TN, TX, UT, VA, WA, WY

### **37. 85% LTC Ground Up Construction Program**

- All credit scores 620 or greater (from all parties)
- No mortgage lates in the past 12 months
- No bankruptcy or foreclosures in the last 3 years
- Loan Amounts: \$50k to \$500,000

#### **Rehab Loans:**

- Loan Amounts: \$50k to \$500,000
- Loan Term: 12-18 month terms now! You do not have to escrow payments if you do not want to!
- Lender can finance 80-85% of purchase price and 100% of renovations as-long-as the total loan does not exceed 70% of the ARV or 85% LTC (whichever is smaller).
- Interest rate: 8%+



- Only pay interest on funds drawn down on!
- Can lend to new rehabbers!
- Full appraisal required!

#### NEW CONSTRUCTION GENERAL TERMS

- Loan Amounts: Up to 1M for SFR's. Up to 1.5M for 2+ units.
- This applies to the lenders lines of credit program as well.
- Lender will underwrite and close new construction loans for single family and multi-family properties of up to 30 units.
- The Borrower will contribute the land/lot, which must be fully entitled and developed (in accordance with the proposed project) with all required utilities and road infrastructure. The land must be free and clear of liens.
- Maximum loan amount is the lesser of 85% of the total cost (land and construction) or 70% of completed value (ARV) for SFRS. Multi-unit properties (2+ units) are 80% LTC and capped at 65% ARV.** At the lenders discretion they may require a partial or full repayment of the loan if all permits are not obtained within 4 months.
- Minimum Liquidity – The Borrower shall have liquid assets and will verify 25% of construction expenses.**
- Lender will make new construction loans only to experienced Borrowers that have successfully completed at least 1 new construction project comparable to proposed project in past 3 years.
- No prepayment penalty (3 months minimum interest).
- \$995 processing/underwriting fee (includes appraisal); \$135 doc fee
- Lender Typically charges 2 points for transactions under 1 Million
- Interest Rates: 8% +
- Closing Time Frame: Typically 30 days for a ground up construction loans. Can move faster if borrower is very motivated.
- Lending Territory: Nationwide with the exception of a few states

#### 38. 65-70% ARV Ground Up Construction Program

**Loan Amount:** \$75,000 – No Max

**Term:** 1-3 years

**Borrowers Fico:** Borrower must have acceptable personal and business credit. If credit is very low; lender needs an explanation as to why.

**Interest Rate:** 11.5% typically

**Property Types:** Only 1-4 unit investment properties. No condominiums. Properties in rural areas, large acreage and properties with roads, which are not fully improved, may be considered with restrictive terms.

**Max ARV:** This lender lends on the ARV (after repair value) of the property. If the home being built will be worth \$400,000, 70% of that is a \$280,000 loan amount.

**Lot Purchase:** Can be financed on a case-by-case scenario

**Lender Points:** 5 points

**Lending Territory:** Nationwide besides AK and HI.

**Experience Requirement:** Borrower must be a full time builder. Builder must have built and sold at least 5 homes. **Builder must be the borrower.** Home must be in the size and dollar range of builder's history. Builder must have required licenses; if any.



**Other:** Borrower can choose their own appraiser; must be a state certified appraiser!

**Lender does not require title insurance for ground up construction although on rehab loans they do.** Construction must start immediately after closing

**Rehab Loans:** This same lender also does rehab loans. They will lend up to 70% of the ARV on rehab loans. Rehab loans require title insurance. Borrower can still pick their own appraiser for the rehab loans as well.

### **39. 65% ARV Ground Up Construction Program**

**Loan Amount:** \$200,000- 5 million for main fund that operates out of FL, GA, NC, SC, DC, MD, VA, PA. 1M-25M for other funds that operate in WA, OR, UT, CO & TX.

**Term:** 3-18 months, interest only.

**Borrowers Fico:** No min fico score, but If credit is very low; lender needs an explanation as to why.

**Interest Rate:** 10-12% typically, interest only. On day one of closing interest is only charged on 70% of the total loan amount. Once 70% of the total loan amount is drawn down on the borrower will start paying interest on the percentage of funds they have currently drawn down on. Ex. If 80% of the total loan amount has been drawn down on, then the borrower will pay interest on 80% of the total loan amount.

**Pre-Payment Penalty:** Lender has no PPP or interest reserve guarantee at all!

**Property Types:** SFR's (spec & custom), Townhomes, Multifamily (2 +, no max on units), Mixed-Use, Some regular commercial property types, Subdivisions, and Land (land is max 50% LTV). **Land Development Deals.**

**Max ARV:** This lender lends purely off of the ARV (after repair value) of the property at a 65%. **They do not have a loan to cost requirement!**

**Lot Purchase:** Lender will finance a max of 50% of the lot on an acquisition (sometimes the LTV on the lot can be higher depending on what type of permits/entitlements the property has and it also depends on the overall cost of the project). Lender wants their loan to cover 100% of the cost to build. **If borrower owns land free and clear, lender can sometimes give them an upfront draw at closing.**

**Lender Points:** 2-4.5 points (based on term of the loan requested). If LTV's work the lender will try to roll in the origination costs and can escrow monthly mortgage payments.

**Lending Territory:** Focus on the South East for main fund; **GA, NC, SC, WA, OR, UT, CO, FL & TX, MD, Virginia, DC, PA.**

**Experience Requirement:** Lender prefers the borrower is full time builder or developer but sometimes if the borrower is hiring an experienced builder/developer the lender can go off of the builders experience to qualify the borrower for the loan (credit and liquidity will then be looked at more). Builder must have required licenses.

**Other:** **Asset based lending program. Lender can become very creative when structuring deals. Lender will allow a 2<sup>nd</sup> behind them, but 1st must subordinate.** Can work with foreign nationals as long as they have US bank accounts and references. Lender prefers ground-up construction deals over fix and flip/bridge deals.

#### **Work Flow:**

-For LOI the lender needs: PFS or 1003, Builder's Resume (past and current projects), Project executive summary, Full Site plan sets, Spec summary (or whatever is available at the time of submission), Proforma cost breakdown (excel), Entitlements & Building permits (upon

approval). \*This is a very general list and additional information may be required on a project-by-project basis

-After those documents are submitted, if interested, lender will provide term sheet within 48 hours.

-Lender would then order an appraisal. Appraisal is the only upfront fee.

-Lender always does site visits to meet with developer/builder at no cost to the borrower.

What exactly does **Full Service** mean?

*You could do your own plumbing, taxes, put on a new roof, and even legal work, but why don't you? Because using a trusted proven professional saves you time, money, and hard life lessons.*

***It's your time and money. Let the 25 year professionals' work for you!***

A full-service commercial mortgage brokerage moves a loan from start to finish involved in every facet of a transaction. It is specialized expertise that only comes from years of closing loans. There are many individual parties involved in every commercial loan transaction. Each party with a specific function and skill set. Who are they?

1. Buyers and sellers of commercial properties.
2. Commercial real estate brokers that list and sell properties.
3. Lenders make offers and underwrite to close "their" loan products only.
4. Appraisers that provide value on properties with an appraisal.
5. Title companies research title to make sure there are no encumbrances on properties and are clear to insure with title insurance. They also help facilitate the close between buyer and seller.
6. Insurance companies insure.

The others variables and parties that may be involved in transactions;

- Municipalities on zoning issues
- State and local municipalities on tax issues
- IRS
- Foreclosing banks
- Banks that own the property
- Outside attorneys

It is the full-service brokerage that acts as the quarterback moving the ball down the field knowing every inch of the loan file and can act fast and efficiently when problems arise 99% of

every deal. Knowing a lender is only 5% of any transaction. Having a team that can close is 100% of a transaction. You can do your own taxes, be your own lawyer, do your own plumbing, but why don't you? Having a trained professional by your side on what are typically the largest financial transactions in anyone's life is not only prudent and good business, but vital for success.

What does a full-service commercial brokerage do?

1. Loan packaging. Many borrowers do not know how to properly present a loan file to a lender. Statistics show that 50% of deals are turned down because of presentation.
2. Problem solving and offering creative solutions when a borrower is turned down or doesn't know what a best option may be.
3. Present best rates and term options to borrowers with a loan need. Rate is small component. Pre-payment, speed to close, max cash out are all factors. Knowing the best loan for a borrower need at that moment is very specialized.
4. Deal placement with hundreds of options knowing the best and most current lending options nationwide. "Selling" the deals to a lender is often necessary when dealing with unique circumstances such as fair to poor credit, quick close, first time borrowers, etc.
5. Facilitating ordering of appraisal.
6. Facilitating ordering of title.
7. Appropriate document collection to final underwriting. Again packaging of the information is key to close.
8. Coordinating close with all parties including but not limited to realtors, buyers and sellers, title companies, appraisal companies, lenders, and attorneys and more.

Real Examples of why you need a full-service brokerage:

- Borrower running out of time on purchase and sales agreement about to lose deposit. The brokerage provides a creative solution by calling the seller for an extension on the buyer behalf.
- Bank selling a property and didn't disclose a sink hole. Brokerage coordinated with title and determined risk too big. Helped borrower find more suitable investment and closed new loan.
- Wind insurance after hurricane. Brokerage coordinated new policy options as first quotes made the loan non-viable to new debt service ratio.
- Law-suit mid transaction. Brokerage coordinated every aspect from attorneys to buyer and seller, to realtor, to owning bank to a successful close.
- Existing lender can no longer do loan mid transaction through no fault of borrower. Buyer will lose deposit earnest money. Brokerage issues pre-approval same day with new lender allowing borrower to get an extension to close.
- Borrower starts construction prior owning property. Brokerage coordinates all documents and packages loan properly where it "makes sense" for the lender to close.
- Borrower takes out loans mid transaction lowering fico scores before new close. Brokerages issues new offer and still closes before deadline.

- IRS issue. Brokerage coordinates with the IRS agent to get the payoff request needed to close loan.
- The title company chosen by borrower won't clear title. Brokerage brings in new title company to get clearances to close loan.