



Purpose: Designed for Real Estate Investor Purchasing and Rehabbing

Term: 13 Month

Pre-Payment Penalty: NO

Processing Fee: 1% Standard Plus Origination Fee Below:

Level	Completed Flips	Lender Fee	Lender Fee if Construction	Interest Rate	Interest Charged on Undrawn Construction?
1	0-1	1.25%	2.5%	12%	Yes
2	2-4	1.25%	2.5%	11%	Yes
3	5-9	1%	2%	9.99%	No
3.5	10-14	1%	1.75%	9%	No
4	15+	1%	1.5%	7.99%	No

Level 1-3 - Completed flips in last 24 months
 Level 4 - Completed flips in last 12 months
 Level 1 - Maximum of two loans at once
 Less than 680 Credit - Level 1 85% LTC & 65% LTV
 Loans \$75,000 or below are capped at 65% ARV

*Limited Recourse option is available Level 3 or above. Recourse only triggered with "bad boy" carve outs (fraud, bankruptcy, etc.)
 Level 3 and 3.5 will incur a .50% increase in origination fee. Level 4 will incur a .25% increase.

Eligible Borrowers:

- U.S. Citizens
- Permanent Resident Aliens
- Foreign Nationals (Tier 2 - Reduced Leverage)

Financing Types:

- Purchase
- Refinance-Rate & Term and Cash-Out
- Construction





Borrower Underwriting

Credit:

- Minimum FICO Score - 600
- Use middle of 3, lesser of 2 scores
- Minimum of 2 scores are required
- Must have tri-merged credit report
- No bankruptcies in past 3 years
- No foreclosures, short sales, or deed in lieu in past 2 years
- Fraud and OFAC checks including identity verification are required

Vesting:

- Limited Liability Corporation
- Limited Partnerships
- General Partnerships
- Corporations
- Land Trusts
- Maximum of two borrower entities (co-borrowers) per loan

Arm's Length Transactions:

- Buyers must disclose relationships with sellers or other transaction parties in any manner
- All income/credit/bank documents that are over 60 days old must be updated

Borrower's Liquidity Requirements:

- Down payment (Based on Advantage Level)
- Minimum of six (6) monthly interest payments
- 10% of rehab budget
- Origination fee
- Broker fee
- Borrower(s) must have a minimum of \$15,000 fully liquid

Borrower Requirements:

- 2 months of bank statements, including average balances, are required
- At least 2 months of asset verification are required for all loans
- The value of any stock, bond, or mutual fund is reduced by 50%
- The value of retirement accounts are reduced by 50%

Subordinate Financing:

Secondary or subordinate financing is permitted. Applicant requesting to use subordinate financing, must meet underwriting requirements individually before the subordinate financing will be taken into consideration.



Property Underwriting

Eligible Property Types:

- 1-4 Unit Investment Property
- Planned Unit Developments
- Properties with <2 Acres
- Log homes (if common to the area)
- Properties subject to oil or gas leases
- Must be non-owner occupied
- Minimum gross living area of 700 sq. ft.
- Must be non-owner occupied

Ineligible States:

- Alaska
- Hawaii
- Idaho
- Maine
- Montana
- Nevada
- North Dakota
- South Dakota
- Vermont
- Puerto Rico
- U.S. Territories including Guam and Virgin Islands

Ineligible Property Types:

- Owner-occupied properties
- Condos
- Manufactures or mobile homes
- Condotels
- Time shares
- Unique properties (except for log homes)
- Working farm and ranches
- Unimproved land: Not intended for build
- Property currently in Litigation
- Commercial enterprises
- Zoning violations including residential zoned commercial
- Single family properties with less than 700 sq.ft. of living area
- Mixed use properties
- Properties with more than 2 acres
- Fractional ownership
- Properties encumbered by purchase option
- Properties that appraise for <\$25,000
- Properties with values significantly in excess of the predominant value of the subject's market area may be ineligible

Appraisal Requirements:

- All loans require a full form 1004/1025 appraisal with internal property pictures.
- Appraisals must be dated within 180 days of origination.