



# Ground Up Construction Program

These represent general guidelines and loan terms are subject to lender discretion

		Ground Up Program	Experienced Developer Program (3+ Similar Past Projects)
<b>Collateral Eligibility</b>	Loan Amount	<ul style="list-style-type: none"> <li>Min: \$50,000</li> <li>Max: \$3,500,000</li> </ul>	
	Property Count	<ul style="list-style-type: none"> <li>Min: 1</li> <li>Max: 2</li> </ul>	<ul style="list-style-type: none"> <li>Min: 1</li> <li>Max: 10</li> </ul>
	Permitted Property Types	<ul style="list-style-type: none"> <li>Eligible               <ul style="list-style-type: none"> <li>Non-owner Occupied 1-4 unit residential</li> <li>Townhomes</li> <li>Condos</li> </ul> </li> <li>Ineligible               <ul style="list-style-type: none"> <li>Mixed use properties</li> <li>5+ unit multifamily properties</li> <li>Condotels</li> <li>Co-ops / TICs</li> <li>Commercial Property</li> <li>Log Homes</li> <li>Properties Subject to Oil and/or Gas Leases</li> <li>Operating Farms, Ranches, or Orchards</li> <li>Vacation or Seasonal Rentals</li> <li>Rural properties</li> </ul> </li> </ul>	
	Submarket Liquidity	<ul style="list-style-type: none"> <li>Top 90%, Top 10% case by case with potential LTC cuts</li> </ul>	
<b>Loan Terms</b>	Maximum Loan to Cost	<ul style="list-style-type: none"> <li>Up to 75% of the lower of land value or purchase price/60% if unpermitted, plus 100% of construction</li> <li>Max 85% of total project costs</li> <li>LTC Catch Up Draw to raise initial advance to 75% at approval of required plans/permits post-closing</li> </ul>	<ul style="list-style-type: none"> <li>Up to 75% of the lower of land value or purchase price/60% if unpermitted, plus 100% of construction</li> <li>Max 90% of total project costs</li> <li>LTC Catch Up Draw to raise initial advance to 75% at approval of required plans/permits post-closing</li> </ul>
	Maximum Loan to ARV	<ul style="list-style-type: none"> <li>Up to 70%</li> </ul>	
	Reserves/Escrows	<ul style="list-style-type: none"> <li>Interest Reserve: Minimum 1 month</li> </ul>	<ul style="list-style-type: none"> <li>Interest Reserve: Minimum 1 month. Minimum 6 months full boat IR funded with initial loan amount for 90% LTC loans</li> </ul>
	Term Length	<ul style="list-style-type: none"> <li>12 months, Up to 18 at Lender Discretion</li> </ul>	<ul style="list-style-type: none"> <li>12 months, Up to 24 at Lender Discretion</li> </ul>
	Recourse	<ul style="list-style-type: none"> <li>Full Recourse</li> </ul>	
	Minimum FICO	<ul style="list-style-type: none"> <li>680 Midscore</li> </ul>	<ul style="list-style-type: none"> <li>680 Midscore</li> </ul>



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<b>Loan Terms</b>	Third Party Construction Reports		<ul style="list-style-type: none"> <li>▪ 3rd party feasibility study for 3+ unit developments</li> <li>▪ 3rd party vendor to monitor draws for developments</li> </ul>
<b>Guarantor Requirements</b>	Minimum Net Worth & Liquidity	<ul style="list-style-type: none"> <li>▪ Minimum net worth of 10% of the loan amount</li> </ul>	<ul style="list-style-type: none"> <li>▪ Minimum net worth of 10% of the loan amount</li> <li>▪ Bank statements showing 10% of loan amount post-close liquidity for developments</li> </ul>
	Experience	<ul style="list-style-type: none"> <li>▪ Previous real estate experience required: 1-2 Ground ups</li> <li>▪ GCs if experience if permits tie to Ground ups</li> <li>▪ Guarantors with no experience permitted on a case by case basis</li> </ul>	<ul style="list-style-type: none"> <li>▪ Previous real estate experience required: 3+ similar Ground-up builds + heavy rehabs with expansion. Professional deveopment / builder.</li> <li>▪ Guarantors with no experience permitted with experienced guarantor that meets the above experience criteria</li> </ul>
	Profit Test	<ul style="list-style-type: none"> <li>▪ Minimum 30% ROI</li> <li>▪ If fail, must pass 1.20 DSCR test on a market 30-year FRM</li> </ul>	