



Ground up program parameters:

Loan Guidelines

- Minimum 4 deals over the last 3 years
- At least one comparable deal was completed – Cost and Scale
- Purchase loan for land is sized at maximum 65% lesser of the purchase price and Appraisal
 - Zoning and environmental Completed –45-50%
 - Fully Entitled and Permitted – 50-65%
- Construction Loan is up to 100% of Construction Hard Costs
- Total Loan to Costs (Hard Cost for Purchase plus Construction) 70-75%
- Total Loan not to exceed 65% of the After Repair Value
- Soft Costs are not financed
- Minimum FICO score of 680
- Minimum total loan amount \$400,000
- Maximum loan amount \$8,000,000
- Rate from 9.0% with 1-2pts
- Residential up to 30 units
- Commercial not to exceed 25% of total rental income or square footage (for small projects, for larger – maximum 10-15%)
- Construction Management Company to oversee projects for loan amount above \$1,200,000

General Contractor:

- Is required for all projects with above \$1,000,000
- Previous experience – minimum 5 ground up deals similar size and scope
- Minimum 3 years in business
- Based in the area of the project
- GC approval is required for projects above 1,000,000

Construction Management Company

- To oversee due diligence process
 - To order appraisal
 - To review scope of work
 - To review and approve GC
 - To review environmental and all report
 - To conduct initial site inspection
 - To review all requests for draws, reconcile the numbers, conduct draw inspection, and provide reports for funds disbursement

- Cost of Construction management company oversight will depend on project size and complexity. Range starts from \$3,000 for upfront work and \$300 for each draw. Cost of appraisal is in line with national rates. All these fees are paid to construction management company directly.