

REFERRAL PROGRAM DEAL SUBMISSION PROCESS

Small Balance Multi Family/Apartment Product

INITIAL DOCUMENTS TO COLLECT*:

1. Loan Application
2. Borrower Profile
3. Credit Report
4. LLC Documentation (Signed Operating Agreement & Articles of Organization)
5. Purchase Contract

The origination team will review documentation and either decline or provide preliminary approval to move forward with the process and collect additional documentation.

SECONDARY DOCUMENTS TO COLLECT*:

- Personal Financial Statement for Loan Guarantor
- Schedule of Real Estate Owned for Loan Guarantor
- Renovation Budget (for loans with a rehab component)
- Current Rent Roll for Subject Property (signed & dated)
- Operating Statement for Subject Property (YTD & at least prior two years)
- Proforma Rent Roll & Current/Stabilized Operating Statement for Subject Property
- Sample Leases (minimum of 3; depending on size of property)

**These are core documents you will need to provide the lender to proceed with the loan application process. You will be required to provide additional documentation as needed based on the deal and borrower.*

GOOD FAITH DEPOSIT AND TERM SHEET:

During the document collection phase of the transaction, the lender will issue a Term Sheet or Letter of Intent which outlines the terms of the proposed financing. Your borrower will be required to sign and return the Term Sheet with a wire deposit to the lender. Depending on the loan amount, the deposit may range from \$500 to 0.5% of the loan amount (example: a \$200,000 loan would require a deposit of 0.5%, or \$1,000). Deposit covers costs incurred during transaction processing, including third party reports, appraisals, site visits, and overhead expenses. Deposit is non-refundable but will be credited towards your closing costs when your loan closes.

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THIRD PARTY REPORTS:

You may also be required to provide these 3rd party reports, or the lender may order directly:

1. Environmental Screen
2. Property Condition Report
3. Appraisal
4. Title Commitment
5. Insurance

The underwriting process can vary by lender, but typically underwriting begins once all borrower documents are received, reviewed and cleared, and all 3rd party reports and valuations are received. Once underwriting is completed, you will receive final conditions (if applicable) and loan closing date will be scheduled.

NOTE: The entire origination/underwriting process can take a minimum of 3-8 weeks depending on the type of transaction, timeliness of submission/receipt of documents, and appraisal turnaround time in the area of the subject property.

SAMPLE ORIGINATION/CLOSING PROCESS - FOR REFERENCE ONLY:

1. Affiliate discusses transaction with borrower
2. Affiliate collects initial documentation and submits loan application to lender
3. Lender reviews application & documentation and responds with term sheet
4. Borrower signs term sheet and wires deposit
5. Affiliate collects secondary documentation and submits to lender
6. Affiliate or lender orders title, appraisal, and other 3rd party reports as needed
7. Once all necessary documentation is received, transaction is underwritten
8. Once transaction is approved, closing conditions are provided
9. Once closing conditions are cleared, closing date is set and title is advised:
 - Loan documents ordered
 - Closing statements (Alta or HUD1) are prepared
 - Property insurance reviewed & payment invoice submitted
10. Signing takes place
11. Lender reviews all documents and wires sent
12. All prior to disbursement conditions are cleared
13. Title is authorized to disburse all funds, record the deed, and any other documents that need to be recorded
14. Closing package is returned to lender