



HARD MONEY WORLD

Let's solve your real estate capital needs

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Ground-Up Construction Loan

Loan Size: \$75,000-\$5,000,000. RBI will consider loans with a total principal balance greater than \$5,000,000 on a case-by-case basis.

Loan Purpose:

Residential business purpose:

- Acquisition
- Refinance

Loan Strategy:

- Ground-Up
- Construction

Property Types: Residential only.

Payments: Interest only payments with balloon at maturity. Non-Dutch.

Max LTC and ARV:

Maximum loan advance rates:

- Max loan amount would be the lesser of 82.5% LTC (Loan to Cost) of Land + Hard Cost or 70% ARV (After Repaired Value). Exceptions to go to 85% LTC may apply (See table below).

Loan advance rates are contingent on loan terms, such as cash out, loan strategy, subordination, FICO, subordinate debt and other characteristics.

Rates: Start at 10.5%

Term: 1-24 months

Occupancy: Non-owner occupied only.

Lien Type: First position trust deeds and mortgages.

Estimated Fees:

- Origination fee from 1-2%.
- Underwriting fee: \$1500.
- Appraisal fee: Typically from \$500-\$850 (Depending on property size, location and time sensitivity).
- Feasibility fee: \$750- \$1000 (depending on loan amount
- Draw fee: \$375 per draw
- Legal fee: Starting at \$750 (depending on Loan Amount).

Prepayment Penalty: None**Location:** Nationwide except: AZ, CA, NV, UT, OR, ND, SD, MN, VT, VA, WA**MAX LEVERAGE**

| Experience | LTC | ARLTV | Minimum Renovation % Financed |
|--|------------|--------------|--------------------------------------|
| Professional 8+ Borrower also needs 700+ fico | 85% | 70% | 100% |
| Experienced 3-5 | 82.5% | 70% | 100% |
| Limited 1-2 | 80% | 70% | N/A |
| First Timer 0 | 75% | 60% | N/A |

BORROWER/GUARANTOR CHARACTERISTICS

Borrower/Guarantor Credit Score: Minimum credit score of 620 for the borrower/guarantor is required.

Borrower Type: US entity or individual name required

Nationality: US Citizen, US Resident or Foreign National

Borrower/Guarantor: Borrower and General Contractor must have experience within the US with similar projects in order to qualify for this program. The borrower and GC must have completed at least 2 similar projects.

DOCUMENTS

- ID or passport
- Credit application
- Last bank statement
- Property insurance (builder's risk and GL)
- Flood insurance (if applicable)
- Purchase contract (if applicable)
- Entity documents
- Project budget
- Borrowers track record
- Borrower's Resume or Bio
- Approved permits/ entitlements by the city
- Approved site plans by the city
- General Contractor's Information (license, ID, insurances, workers comp, etc.)

LIQUIDITY REQUIREMENT

- **Purchase:** Down payment + Closing Costs + 6 months of reserve
- **Refi:** Remaining Equity Required + Closing Costs + 6 months of reserves
- **Cash Out:** 6 months of reserves

INSURANCE REQUIREMENTS

Title Insurance:

RBI requires all of the following to be provided:

- ALTA 2006 form policy.
- Minimum coverage of 100% of loan balance.
- Signed escrow instructions.
- Copies of all title exceptions to review, if requested.
- All loan files that contain a title commitment or preliminary title report issued by title agent, on behalf of a national title insurance company, must include a closing protection letter (agent authorization letter in NY) with ISAOA language; if file contains title insurance policy, a closing protection letter is not required.

Property, Liability and Casualty Insurance

- Property insurance coverage must be equal the lesser of the replacement cost or loan amount.
- HO insurance minimum coverage is 20% of appraised market value.
- Builder's risk with 100% of RCE
- Liability insurance coverage of \$1M (or depending on loan amount)
- Insurance issuer must meet the ratings criteria set forth in the Fannie Mae guidelines.
- Lender must be listed as mortgagee, loss payee, loss payable, or additional insured.
- Coverage must include fire and extended perils, and other hazards customary to the area.
- Flood insurance required for FEMA-designated special flood hazard areas. Loans greater than \$1M might need RCE for flood insurance.
- Earthquake coverage required in high-risk zones and/or as recommended in property condition report.
- Hail and wind coverage may be required