

REAL ESTATE INVESTOR & COMMERCIAL LOAN PROGRAMS 2018



The Private Commercial
Finance and Capital Group

REAL ESTATE INVESTOR & COMMERCIAL LOAN PROGRAMS 2018

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Guide Updated 4/10/18 – The information contained herein is considered up-to-date, however, lending parameters change frequently. As a result, the information listed in this guide may be different from what is available now. You can download the most recent updates from our website.

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THE PROCESS

Step 1: The very first step we will take in the loan process is to first discuss your situation, what it is that you want to accomplish and then we take into account the type of property you need to finance or refinance. It's important to have a clear path of communication between us so that my company can do it's best for you when locating a loan for you.

Step 2: I will furnish you with a loan application that you will need to complete. If you need a fix and flip loan, you must provide me a detailed spreadsheet listing every aspect of the rehab including estimated costs for each line item. If you are seeking a rental loan, you must provide me with rent rolls and the DSCR for the property.

Step 3: If the subject property is in the Richmond, Virginia market, I will schedule a Property Review with you. At the Property Review, I will visit the subject property with you, take photos of the neighborhood, street frontage, property exterior and property interior. There is no charge for this review but is required by the lender.

Step 4: In this step, I begin to locate a suitable loan for you. In my loan guide, I will provide you with sample terms and rates that may be available to you. The fact is, I have *several different lenders* that offer many different products for fix and flip loans, rentals, new construction and commercial properties. And I will be discussing your loan scenario with each one on your behalf in an attempt to find the best loan for you. Keep in mind, no hard inquiries are made on your credit until a loan offer is found acceptable to you, the borrower. It is quite possible that I will need to obtain other supportive documents (ex. bank statements) from you at this point, depending on the loan type you need.

Step 5: After each lender is approached by me with your scenario, I will bring to you each of their offerings. It is possible that I could return with one or more loan offerings and it's possible that I could return with none. If that is the case, we will discuss what part of the loan scenario is lacking and why. Of the offerings that are made available to you by the lenders, you can review them so we can discuss your questions and concerns. I will make sure each of your questions are answered and concerns addressed.

Step 6: Once a loan is determined to be acceptable by you, the borrower, we will go to underwriting. Depending on the loan type, a final decision can be made in as little as 24 to 48 hours and a closing may be scheduled.

Provided you, the borrower is very responsive in getting required documentation together, steps 1 through 5 can happen relatively quickly – in as little as a couple of days. Please take your time and review this guide book and call me with any questions you may have.



Your Broker Contact

Feel free to call Troy Ross anytime at 804-658-7179.
He is eager to help you get funded!

troy@pcfgroup.com

Visit our site: <http://www.pcfgroup.com>
<http://www.rva.cash>

Meet Your Private Money Broker

In 2002, Troy created a networking group called the *Richmond Creative Investors Association*. The purpose of the group was to bring real estate investors together to network, do deals and share ideas. He and his partner later changed the group name to *Richmond REIA*. For the first time, investors had the opportunity to learn how to ethically invest in housing. The group still thrives today under new leadership. Troy also co-owned an investment company called *NuVision Homes* where he and his partners wholesaled houses, rehabbed homes and even built new homes as a Class A Builder.

Today Troy lives in the West End of Henrico County with his wife, Rachel and three boys. Rachel is also a Realtor with Hometown Realty Services. Troy works with his wife daily to assist Richmond area investors with all of their real estate needs. Troy enjoys fishing with his boys and as a hobby, he runs a non-profit internet radio station at RVA80s.com.

THE FIX AND FLIP REHAB LOAN (Product 1)

Loan Use: This loan is available to real estate investors who buy **single-family houses** or **2-4 units** that are in disrepair and fixes them up to sell on the market to an owner-occupant for an acceptable profit.

Minimum Loan Amount: None | **Minimum FICO Mid-Score:** 600 | **Prepayment Penalty:** None
Loans \$75,000 or less are capped at 65% ARV.

Loan to Cost: 90% | **Loan to Value:** 70% | **PCFC Group Fee:** \$750.00
Borrowers with a FICO of less than 680 qualify only for 85% LTC and 65% LTV. \$500 Processing Fee paid at Closing.

Term: 13 months, Fixed Interest, Balloon Note | Interest rate is determined by experience (below)

| Flips Completed | Lender Fee | Interest Rate | Interest Charged on Undrawn Construction? |
|------------------------|------------|---------------|---|
| 0 to 1 in past 2 yrs | 1.25% | 12% | Yes |
| 2 to 4 in past 2 yrs | 1.25% | 11% | Yes |
| 5 to 9 in past 2 yrs | 1.00% | 9.99% | No |
| 10 to 14 in past 2 yrs | 1.00% | 9.00% | No |
| 15+ in past 2 yrs | 1.00% | 7.99% | No |

Borrower Underwriting

| | |
|--|--|
| <p>Credit: 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.</p> <p>Vesting: LLC, LP, General Partnerships, Corporations, Land Trusts. Maximum of two borrower entities (co-borrowers) per loan.</p> <p>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.</p> | <p>Borrower's Liquidity Requirements: Down payment (based on experience 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 assets on hand.</p> <p>Borrower Requirements: Tax returns are NOT required. Two 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 values of retirement accounts are reduced by 50%.</p> |
|--|--|

Property Underwriting

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|--|---|
| <p>Eligible Property Types: 1-4 Unit Investment Property. PUDs. 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.</p> <p>Not Available in: Alaska, Hawaii, Idaho, Maine, Montana, North Dakota, South Dakota, Vermont, Puerto Rico, U.S. Territories including Guam and Virgin Islands.</p> <p>Appraisal Requirements: All loans require a full form 1004/1025 appraisal with internal property pictures. Must be dated within 180 days of origination.</p> | <p>Ineligible Property Types: Owner-occupied properties, Condos, Manufactured or mobile homes, Condotels, Timeshares, Unique properties (except for log homes), Working farm and ranches, Unimproved land, 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.</p> |
|--|---|

Rehab Construction Inspections

| | |
|---|--|
| <p>Initial Budget Inspection: The Lender's Inspector conducts site inspection and budget review noting any deficiencies. All deficiencies in budget are required to be included in amended budget.</p> <p>Inspection Fee: \$200.00 to Lender as of 4/4/18</p> <p>Turn Around Time: 2-4 Business Days</p> | <p>Post Closing: The Lender will hold funds for rehabilitation budget in escrow account.</p> <p>Construction Escrow Inspection: Draw request will detail the work completed and amount requested. All requests are based on the approved rehab budget made at origination. On-site inspection required to verify completed work and project status. Inspection report and photos are then provided to the Construction Escrow Manager who reviews and approves all draws prior to disbursement of funds. Disbursement occurs within 2-4 business days.</p> |
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Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application and provide the broker a detailed spreadsheet listing every aspect of the rehab including estimated costs for each line item by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE FIX AND FLIP REHAB LOAN (Product 2)

Loan Use: This loan is available to real estate investors who buy single-family houses that are in disrepair and fixes them up to sell on the market to an owner-occupant for an acceptable profit.

TIER 1

EXPERIENCE: 0 or 1 flips / builds in last 24 Months

FICO: 600-679

Loan to ARV: Must be 65% or less

LTC: 85%

Rate: 12.00%

TIER 2

EXPERIENCE: 2 to 4 flips / builds in last 24 Months

OR FICO: 680+

Loan to ARV: Must be 70% or less

LTC: 90%

Rate: 10.50%

TIER 3

EXPERIENCE: 5+ flips / builds in last 24 Months

Loan to ARV: Must be 70% or less

NO INTEREST CHARGED ON UNDRAWN REHAB FUNDS

LTC: 90%

Rate: 9.50%

Minimum Loan Amount: \$75,000

Points to Lender: 2.5%

Fee to PCFC Group: \$750

Minimum Origination Fee: \$2,500

Loan Term: 13 Months

Prepayment Penalty: None

Minimum FICO: 600. No exceptions.

Lending To: LLCs and Corporations. No individuals or non-profits.

Processing Fee: \$495.00

Borrower Paid Subject-To Appraisal: Market Value

Rehab: Escrow Draw System

Draws: Borrower requests draw. Inspector performs site visit. Disbursed upon receipt of report. Payments made for Installed Materials and Completed Labor.

Draw Turn Time: 72-96 Hours

Draw Fee: \$150.00 per draw

Asset Warranty: Down Payment + Origination Fee + 6 Months Interest + 10% Build Budget

Seasoning: None

Sourcing: Any Deposits over \$10,000 in last 2 Months

Documents Needed for Loan:

- Guarantor Photo ID
- Two most recent bank statements showing liquid assets
- Business Entity Docs – Signed Operating Agreement, Certificate of Good Standing, and Articles of Organization
- Purchase Sale Agreement (if applicable)
- Detailed Construction Budget (Must be our Budget Form)
- 12 month builder's risk policy quote (property insurance)
- Completed Loan Application

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application and provide the broker a detailed spreadsheet listing every aspect of the rehab including estimated costs for each line item by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE REHAB BRIDGE LOAN

Loan Use: This loan is available to real estate investors who buy single-family houses that are in disrepair and fixes them up to sell on the market to an owner-occupant for an acceptable profit.

Property Type: SFRs, 2-4 units, Townhomes

Loan Use: Purchase or Refinance

Rate: As low as 7.5% but most loans are 9% to 12% Fixed – Interest ONLY

Points: 2.5% (minimum of \$2500) to Lender / \$750 Fee to the PCFC Group

Amount: \$75k minimum up to \$1M

LTV: Up to 90% of Purchase price / Up to 75% ARV for Rehab

Rehab Costs: 100%

Holdback: Up to 100% of purchase price

Cash Reserve Requirement: \$15k

Term: 12 months

Closing: 15 days or less

Prepayment Penalty: None

Investor FICO Required: 550 Minimum

Investor Experience Required: Minimum 1 Flip in 2 Yrs

Application Fee: \$350

Closing Fees: \$645.00

Required Documentation

| | |
|--|--|
| <p>Borrower:</p> <ul style="list-style-type: none"> • Bank Statements • List of Past Projects • Entity Documentation • Voided Check for ACH • Valid Entity (Corp, Partner, LP, LLC, Trust) | <p>Property:</p> <ul style="list-style-type: none"> • Address and Loan Amount • Scope of Work • Copy of Purchase Contract • Insurance and Title Contact Information • Property Access Instructions |
|--|--|

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application and provide the broker a detailed spreadsheet listing every aspect of the rehab including estimated costs for each line item by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE LANDLORD SHORT TERM LOAN

Loan Use: This loan is available to real estate investors who buy **single-family houses, 2 to 4 units, condos or apartments** to hold as investment properties and only need a short term loan.

Minimum Loan Amount: \$50,000 | **Minimum FICO Mid-Score:** 660 | **Prepayment Penalty:** 5%

Prepayment penalty is 5% of unpaid balance within first 6 months. Minimum property value is \$75,000.

DSCR: only 1.25 and higher | **Loan to Value:** Up to 75% | **PCFC Group Fee:** \$750.00

LTV offered is determined by borrower credit rating (see below). \$500 Processing Fee paid at Closing.

Term: 2 Year, Interest Only Balloon | 1 year extension is available for 1% fee

Types of Financing: Purchase, Refinance Rate and Term, Cash Out

Interest Rates

| FICO | ≤50% LTV | 50.01-55% LTV | 55.01-60% LTV | 60.01-65% LTV | 65.01-70% LTV | 70.01-75% LTV |
|---------|----------|---------------|---------------|---------------|---------------|---------------|
| 740+ | 7.0% | 7.1% | 7.2% | 7.4% | 7.65% | 7.90% |
| 700-739 | 7.2% | 7.3% | 7.4% | 7.6% | 7.85% | 8.10% |
| 680-699 | 7.4% | 7.5% | 7.6% | 7.8% | 8.05% | |
| 660-679 | 7.45% | 7.55% | 7.8% | 8.0% | | |

LTV Adjustors (Compounding):

- If Rate Term Refinance -5%
- If Zip Code 2-5% Decline -5%
- If Multifamily/Mixed Use -10%
- If Zip Code is 150-200 DOM -5%
- If Cash-out Refinance -10%

The **debt service coverage ratio** (DSCR), also known as "**debt coverage ratio**" (DCR), is the **ratio** of cash available for debt servicing to interest, principal and lease payments. The higher this ratio is, the easier it is to obtain a loan.

How to determine DSCR:

Gross rents divided by the Monthly Interest Only Payment.

Lease income is derived from rent survey (Form 1007) and current in place lease, if applicable.

Example of DSCR Calculation:

\$100,000 Loan; \$950 Monthly Rent; 7.6% Interest Rate
 Monthly Payment: \$633.33
 $\$950 / \$633.33 = 1.5$ DSCR

Property Underwriting

Eligible Property Types:

Must be rent-ready condition. Must be non-owner occupied. Single Family Residential with a minimum 700 sq. ft., 2-4 Family with a minimum 500 sq. ft. per unit, Warrantable condominiums with a minimum 500 sq. ft., Multifamily apartment buildings, Mixed use buildings (Residential >50% total property sq. ft.).

Available in:

Southeast - AL, FL, GA, KY, MS, NC, SC, TN, VA, WV
 Northeast - CT, DC, DE, MA, MD, NH, NJ, NY, PA, RI
 Midwest - IA, IL, IN, KS, OH, MI, MN, MO, NE, WI
 Southwest - AR, LA, OK, TX
 West - AZ, CA, CO, NM, NV, OR, UT, WA, WY

Ineligible Property Types:

Timeshares, Condotels, Mobile homes, Properties subject to purchase option, Raw land/Working farms/Ranches/Orchards, Non-warrantable condos, Properties affected by natural disasters, Properties not compliant with local zoning regulations, Properties with known adverse environmental conditions.

Appraisal Requirements:

All loans require a full form 1004/1003/1025/1050 appraisal with market rent analysis. Must be dated within 120 days of closing.

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. PThe borrower must complete our Loan Application by the date of the preview. hotos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE LANDLORD 30 YEAR FIXED LOAN

Loan Use: This loan is available to real estate investors who buy **single-family houses, 2 to 4 units, condos or apartments** to hold as investment properties and who are looking for a long term fixed interest loan.

Minimum Loan Amount: \$50,000 | **Minimum FICO Mid-Score:** 660 | **Prepayment Penalty:** 5-4-3-2-1

Prepayment penalty is 5% in year 1, stepping down 1% every year thereafter. After year 5, there is no penalty.

Minimum property value is \$75,000 single collateral loans / \$60,000 on portfolio loans.

DCSR: only 1.3 and higher | **Loan to Value:** Up to 75% | **PCFC Group Broker Fee:** \$750.00

LTV offered is determined by borrower credit rating. \$500 Processing Fee paid at Closing.

Term: 30 Year Fixed or 5/1 ARM (5-Year Fixed, 30-Year Term, No Balloon), Full amortization

Types of Financing: Purchase or Refinance

Interest Rates for the 5/1 ARM

| DCSR > 1.5 | | | | | DCSR 1.3 – 1.5 | | | |
|------------|----------|----------|----------|----------|----------------|----------|----------|----------|
| LTV | ≤60% LTV | 60.01-65 | 65.01-70 | 70.01-75 | ≤60% LTV | 60.01-65 | 65.01-70 | 70.01-75 |
| 740+ FICO | 5.25% | 5.45% | 5.55% | 5.40% | 5.30% | 5.65% | 5.75% | 5.85% |
| 720-739 | 5.75% | 5.80% | 5.85% | 5.70% | 5.95% | 6.00% | 6.05% | 6.15% |
| 700-719 | 5.95% | 6.00% | 6.10% | 6.25% | 6.16% | 6.20% | 6.30% | 6.70% |
| 660-699 | 6.45% | 6.55% | 6.95% | | 6.65% | 6.75% | 7.15% | |

Interest Rates for the 30 Year Fixed

| DCSR > 1.5 | | | | | DCSR 1.3 – 1.5 | | | |
|------------|----------|----------|----------|----------|----------------|----------|----------|----------|
| LTV | ≤60% LTV | 60.01-65 | 65.01-70 | 70.01-75 | ≤60% LTV | 60.01-65 | 65.01-70 | 70.01-75 |
| 740+ FICO | 6.99% | 7.20% | 7.30% | 7.40% | 7.05% | 7.40% | 7.50% | 7.60% |
| 720-739 | 7.50% | 7.55% | 7.60% | 7.70% | 7.70% | 7.75% | 7.80% | 7.90% |
| 700-719 | 7.70% | 7.75% | 7.85% | 8.25% | 7.90% | 7.95% | 8.05% | 8.45% |
| 660-699 | 8.20% | 8.30% | 8.70% | | 8.40% | 8.50% | 8.90% | |

Borrower Underwriting

| | |
|---|---|
| <p>Credit: Minimum FICO score of 660. Use middle of 3 or lesser of 2 scores. Minimum of 2 scores are required. Must have tri-merged credit report. Minimum 24 months of credit history. No bankruptcies in past 4 years. No foreclosures, short sales, or deed in lieu in past 3 years. Minimum of 3 active trade lines per borrower for at least 24 months.</p> <p>Eligible Borrowers: U.S. Citizens, Borrower must own primary residence or >1 rental properties.</p> <p>Vesting: Corporation, LLC, and Partnerships are allowed. No more than 2 individual borrowers per loan. Fraud and OFAC checks including identity verification are required.</p> | <p>Subordinate Financing: Not allowed, unless pre-existing on a rate and term refinance.</p> <p>Arm's Length Transactions: Buyers must not be related to the sellers in any manner without full disclosure.</p> <p>Asset Verification: 6 months liquid reserves (PITIA) per financed property. Reserves are calculated net of down payment. First 3 months of PITIA are paid in advance. Most recent year tax returns are required. 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 30%. The value of retirement accounts is reduced by 50%.</p> |
|---|---|

Property Underwriting

| | |
|--|--|
| <p>Eligible Property Types: Single family detached. 1-2 family. 3-4 family. Townhomes. Warrantable Condos.</p> <p>Must be rent-ready condition (No deferred maintenance). Must be non-owner occupied. Single Family Residential with a minimum 700 sq. ft., 2-4 Family with a minimum 500 sq. ft. per unit, Warrantable condominiums with a minimum 500 sq. ft.</p> <p>Not Available in: Alaska, Hawaii, Idaho, Maine, Montana, North Dakota, South Dakota, Vermont, Puerto Rico, U.S. Territories including Guam and Virgin Islands.</p> <p>DSCR Calculation: Gross Rents/PITI</p> | <p>Ineligible Property Types: Commercial Property, PUDs, Timeshares, Condotels, Non-Warrantable Condos, Mixed Use, Fractional Ownership, Mobile Homes, Unimproved land, Working Farms/Ranches/Orchards, Homes with deferred maintenance, Multifamily housing greater than 4 units, Unique or over-improved properties, Geodesic domes or Earth Homes, Properties subject to oil or gas leases, Properties affected by natural disaster.</p> <p>Appraisal Requirements: All loans require a full form 1004/1003/1025/1050 appraisal with market rent analysis. Must be dated within 120 days of closing.</p> <p>Other Requirements: Escrow for taxes and insurance is required on all loans. Copies of present leases, if applicable, are required. Rent-loss insurance is required.</p> |
|--|--|

Property Management Requirement

| Number of Properties Owned | Experience or Property Management Required |
|----------------------------|--|
| 1 – 2 | No experience required |
| 3 – 4 | 1 year experience or licensed professional property manager |
| 5 – 7 | 3 years experience or licensed professional property manager |
| 8+ | Licensed professional property manager is required |

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE MULTIFAMILY REHABBER (VALUE-ADD) LOAN

Loan Use: This loan is available to real estate investors who buy **apartment buildings** (5 units or more) that are in disrepair and fixes them up to sell on the market to another investor for an acceptable profit OR refinances into a permanent loan to hold.

Minimum Loan Amount: \$250,000 | **Minimum FICO Mid-Score:** 670 | **Prepayment Penalty:** None
Maximum loan amount is \$5,000,000.

DSCR: No “as-is” DSCR requirements | **PCFC Group Broker Fee:** \$750
No “as-is” occupancy requirements. \$500 Processing Fee paid at Closing.

Term: 2 Year Interest Only | **Lender Origination Fee:** 2.5% to 3% (May be rolled into loan)

Types of Financing: Purchase/Rehab, Refinance/Rehab, or Cash Out

Max Leverage: 80% for Purchase/Rehab – 70% for Refinance/Rehab – 55% for Cash Out

Lending Areas: All major metros, sub metros, and small market areas. Non-lending areas include rural and high risk areas.

Rehab: Loan amount is based on total cost to include purchase price and rehab or refinance with payoff and rehab. Rehab can include minor/major renovations, upgrades and value add purchases.

Minimum Liquidity Requirement: Combined borrower liquidity must be 9 months worth of monthly debt service payments and 20% of the rehab budget.

Underwriting Criteria: Borrower must have experience in multifamily/commercial flips or ownership. Property must have the ability to stabilize and cash flow after rehab.

Borrower Liability: This is a full recourse loan. Each person within the borrowing entity must sign a personal guarantee for the loan.

Post Approval Deposit: This covers appraisals, environmental, inspection, and some additional lender due diligence. Remaining funds will be reimbursed if loan does not fund. Deposit requirement varies by loan size.

Interest Rates

| Level | Credit | Ownership/Exper | Rate | Origination Fee |
|-------|------------|-----------------|-------|-----------------|
| 1 | 670 to 709 | Moderate | 10% | 2.50% |
| 2 | 710+ | Strong | 8.99% | 2.00% |

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application and provide the broker a detailed spreadsheet listing every aspect of the rehab including estimated costs for each line item by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE MULTIFAMILY STABLE BRIDGE LOAN

Loan Use: This loan is available to real estate investors who want to buy or refinance **apartment buildings** (5 units or more) that are stable.

Minimum Loan Amount: \$250,000 | **Minimum FICO Mid-Score:** 660 | **Prepayment Penalty:** 5% first 6 months
Maximum loan amount is \$5,000,000.

DSCR: 1.2 minimum | **PCFC Group Broker Fee:** \$750
No "as-is" occupancy requirements. \$500 Processing Fee paid at Closing.

Term: 2 Year Interest Only/12 mo ext available | **Lender Origination Fee:** 1.5% to 2%

Types of Financing: Purchase, Refinance, or Refi/Cash Out

Max Leverage: 75% for Purchase, 70% for Refinance, 55% for Cash Out if owned F&C

Lending Areas: All major metros, sub metros, and small market areas. Non-lending areas include rural and high risk areas.

Minimum Liquidity Requirement: Combined borrower liquidity must be 6 months worth of monthly debt service payments.

Underwriting Criteria: Borrower must have experience in multifamily/commercial flips or ownership. Property must be stabilized.

Borrower Liability: This is a full recourse loan. Each person within the borrowing entity must sign a personal guarantee for the loan.

Post Approval Deposit: This covers appraisals, environmental, inspection, and some additional lender due diligence. Remaining funds will be reimbursed if loan does not fund. Deposit requirement varies by loan size.

Interest Rates

| Level | Credit | Ownership/Exper | Rate | Origination Fee |
|-------|------------|-----------------|-------|-----------------|
| 1 | 660 to 699 | Moderate | 8.10% | 2.00% |
| 2 | 700 | Strong | 7.50% | 1.50% |

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

THE NEW CONSTRUCTION LOAN

Loan Use: This loan is for new construction only.

Investor Must Own Land Outright for 100% Finance

If not, LENDER ALSO OFFERS 90% LAND ACQUISITION & 90% CONSTRUCTION FUNDING!

LEVEL 1

EXPERIENCE: 0 or 1 build in last 24 Months

FICO: 600-679

Land Cost** Must be 15% or greater than Build Budget

Build Budget Must be 65% or less than ARV

100% of Construction Funded in Draws

Rate: 12%

LEVEL 2

EXPERIENCE: 2 to 4 builds in last 24 Months

FICO: 680+

Land Cost** Must be 10% or greater than Build Budget

Build Budget Must be 70% or less than ARV

100% of Construction Funded in Draws

Rate: 10.75%

LEVEL 3

EXPERIENCE: 5+ builds in last 24 Months

Land Cost** Must be 10% or greater than Build Budget

Build Budget Must be 70% or less than ARV

100% of Construction Funded in Draws

NO INTEREST CHARGED ON UNDRAWN CONSTRUCTION FUNDS

Rate: 9.5%

**Metric is Land COST rather than VALUE because it is considered the down payment.

Minimum Loan Amount: \$100,000

Minimum Origination Fee: \$3,500

Points to Lender: 2.5%

Fee to PCFC Group: \$750

Loan Term: 13 Months

Prepayment Penalty: None

Processing Fee: \$495

Borrower Paid Subject-To Appraisal: Market Value

Cash Out: Options available with land cost in excess of metric. Case by Case Basis.

Escrow Draw System

Draws: Borrower requests draw. Inspector performs site visit. Disbursed upon receipt of report. Payments made for Installed Materials and Completed Labor.

Draw Turn Time: 72-96 Hours

Draw Fee: \$150

Borrower Qualification

Lending To: LLCs and Corporations. No individuals or non-profits.

Asset Warranty: Down Payment + Origination Fee + 6 Months Interest + 10% Build Budget

Seasoning: None

Sourcing: Any Deposits over \$10,000 in last 2 Months

Minimum FICO: 600

No Bankruptcy or Foreclosure within the last 3 years

No Felonies within the last 7 years

No State or Federal Tax Liens

Documents Required

- Clear Copy of Guarantor Photo ID
- Two most recent bank statements showing liquid assets
- Business Entity Docs – Signed Operating Agreement, Certificate of Good Standing, and Articles of Organization
- Purchase Agreement (if applicable)
- Detailed Construction Budget (We will provide that form to you)
- 12 month builder's risk policy quote (property insurance)
- Completed Loan Application

Broker Property Preview

As the Broker for this loan, the PCFC Group may preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must complete our Loan Application and provide the broker a detailed spreadsheet listing every aspect of the build including estimated costs for each line item by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are charged for the Broker Property Preview.

If the subject property is located outside the Richmond, Virginia market, the investor must email photos, rehab spreadsheet and the signed application to the broker.

STANDARD COMMERCIAL LOANS

If you called every bank within 50 miles to find the best commercial loan for your property, you will find that just about every bank is going to quote you the same rates and terms:

- 3.97% to 4.81 fixed for the first five years
- 25 years amortized
- 10 years due
- Rate readjusted at the beginning of year 6
- Modest prepayment penalty of either 3-2-1 or 1 point.

Commercial bankers are herd animals. They enter and leave markets with the herd, and they all quote just about the same commercial loan. If you know what a community bank in Rochester, New York is quoting on a commercial loan, you pretty much know what a community bank in Hillsborough, California is quoting on a similar commercial loan.

It therefore seldom pays to spend hours and hours calling different banks in search of a lower rate. Banks are all going to be about the same.

Where banks will differ, however, is in the amortization and the loan amount. The typical amortization for a commercial loan is 25 years; but due in 10 years. Twenty-five years is to commercial loans what 30 years is to residential loans. It's the typical amortization. Let's suppose, however, that your commercial building is 45 years-old, and it is showing signs of deferred maintenance. Many banks will shorten their amortization schedule to just 20 years, thereby increasing your monthly payments and reducing the size of the loan for which you can qualify. In a case like this, it pays to shop for a different bank that will use a 25-year amortization.

Another reason to shop banks for the best commercial loan is the loan amount. Banks can vary significantly as to how much they will loan you. Some banks today are still stuck in a Great Recession mentality, and they will only loan up to 60% to 65% loan-to-value. Other, hungrier banks, will loan up to 70% to 72% LTV; but unfortunately few of them ever reach 75% LTV.

So in conclusion, we know right off the bat that -

1. Almost every single one of the 6,799 banks in the United States are now making commercial loans.
2. Most of these banks will consider both permanent loans and construction loans.
3. The typical bank will consider almost all commercial property types, as long as the business owner is making good money.
4. The rate is going to be between 3.87% and 4.91% for the first 5 years.
5. The loan will have a 25-year amortization.
6. The LTV will most likely be only 60% to 65%.
7. The loan will have a term of 10 years, with a rate readjustment after 5 years.
8. A modest prepayment penalty of 3-2-1 or 1 point is common.
9. Therefore all you really need to know from your bank loan officer is his minimum loan, his maximum loan, and his lending area.

So, if you ever absolutely need a commercial loan with a higher loan-to-value, consider having us broker your commercial loan.

Because we broker all of our commercial loans through private investors, we cannot possibly compete with the banks on rates. **Therefore our lenders have to compete on the basis of giving the borrower more loan proceeds.** In other words, our lenders regularly win deals because they actually make loans up to 75% LTV. They might even consider a non-SBA commercial loan of 80% LTV on the right purchase-money deal. A ***purchase money loan*** is a mortgage loan used to purchase the property.

The PCFC Group is home of the 1 point broker fee for standard commercial loans – **only 1 point!**

Even more good news...

The PCFC Group has spent the past five years building up its resources for commercial loans. As a result, **we have over 750 private money investors** who are hungry to fund commercial loans for us! We can find that loan for you! Call now so we can get to work for you today!

Commercial Loan Types

- Permanent first mortgage loans
- Bridge loans in a first mortgage position
- Land loans
- Sorry, no construction loans.

Minimum Loan: \$100,000

Maximum Loan: \$2,500,000 (will consider up to \$3,500,000)

Acceptable Properties - All ***standing*** commercial properties, plus land loans, including:

- Multifamily (5 or more units)*
- Office
- Retail buildings
- Strip centers
- Shopping centers
- Industrial buildings
- Warehouses
- Mixed use buildings
- Self storage
- Hotels
- Motels
- Commercial condominiums
- Industrial condominiums
- Assisted living
- Residential care homes
- Day care facilities

Lending Area

- Nationwide (Crime rate of the neighborhood must not exceed 125% of the national average)

Amortization

- If the property is less than 50 years old: 30 years
- If the property is older than 50 years: 25 to 15 years

Loan Term: 15 years

Points: 3 points to the Lender typically with 1 point to the PCFC Group (Broker Fee)

Prepayment Penalty: None

Application Fees / Upfront Fees: None

Loan-to-Value Ratio

- Purchase money loans: 75%
- Refinances: 65% to 70%
- Land loans: 25% to 50% (usually 40%)

Interest Rate

- 10.9% to 13.9% Nationwide
- 8.9% to 11.9% just in California

Appraisal Fee: approximately \$2500

RDR Fee: approximately \$250 (required for some properties that need an environmental report completed)

***SPECIAL NOTE regarding Apartment Buildings:** We do have a **bank rate program** for APARTMENT loans. So on any multifamily deal, PCFC can get you a much lower rate with better terms.

Every one of the hard money commercial loans is individually-priced based on the risk, the desirability of the property, and the size of the loan (larger loans are more expensive).

Broker Property Preview

As the Broker for this type of loan, the PCFC Group will preview the subject property in person if said property is local to the Richmond, Virginia market. The preview is the first step to applying for the loan. The borrower must sign our Loan Application by the date of the preview. Photos of the neighborhood, street frontage, property exterior and property interior will be taken by the broker at the preview. No fees are associated with the Broker Property Preview. If the subject property is located outside the Richmond, Virginia market, the investor must email photos and the agreement to the broker before an application will be completed.

Get Started on Your Loan Today!
Download our Loan Application here - <http://pcfcgroup.com/apply/>