



# Rehab Cosmetic Product Matrix

Revised June 17, 2025



## Product Overview

<b>Loan Purpose</b>	Purchase, limited cash-out (includes delayed financing), or cash-out
<b>Cash-Out Definition</b>	Initial Advance at Closing exceeds the Cost Basis of the Property (Purchase Price + Documented Improvements Since Purchase)
<b>Limited Cash-Out/Delayed Financing Definition</b>	Initial Advance DOES NOT exceed the Cost Basis of the property (Purchase Price + Documented Improvements Since Purchase)
<b>Project Scope</b>	Non-Structural, Non-Gut Rehab
<b>Ineligible Project Scope</b>	<ul style="list-style-type: none"> <li>• New or Mid-Construction</li> <li>• Structural Renovations</li> <li>• Properties not structurally sound</li> <li>• Removal of exterior walls (including the roof structure)</li> <li>• Removal of interior load bearing walls</li> <li>• Adding additional story, detached ADU or additional units</li> <li>• Adding/Subtracting square feet</li> <li>• Conversions</li> <li>• Properties with Extensive Damage (Fire or Water)</li> <li>• Full Gut Rehab (Down to the Studs)</li> <li>• Budgets with Significant: <ul style="list-style-type: none"> <li>◦ Demo</li> <li>◦ Framing</li> <li>◦ Mechanical</li> <li>◦ Rough Plumbing</li> <li>◦ Rough Electrical</li> </ul> </li> </ul>
<b>Borrower Type</b>	Entity Only (see page 6 for details)
<b>Eligible Properties</b>	<ul style="list-style-type: none"> <li>• Single Family Residences, attached or detached (inc. Condo/PUD)</li> <li>• 2-4 Units</li> <li>• Warrantable Condo</li> <li>• Non-Warrantable Condos (5% LTV reduction from max. See guidelines for property eligibility)</li> </ul>
<b>Eligible Properties with Special Consideration</b>	5% reduction from qualifying LTC with a Max LTC of 85% on vacation properties (typically located at or near beaches, lakes or mountains) that are not supported by larger cities, economies and other industry besides tourism limited to 10% below the Max LTC. For example: Myrtle Beach SC, Pigeon Forge TN, Florida Keys FL, Martha's Vineyard MA, etc.)



## Product Overview, continued

### Ineligible Properties

Rural (case by case), Multifamily, Mixed-Use, Manufactured, Condotels, Farms, Storage Facilities, Commercial Properties, Land, among others as indicated in guidelines

### Properties in Declining Markets

5% Reduction in LTC and LTV (2+ experience required)

### Experience Minimum

None

### 0-1 Experience Borrowers

\$250,000 Maximum Budget

### LTC Maximum

95%

### LTV Maximum ARV

75%

### Minimum FICO

660 (see Program Options section on page 5 for additional restrictions)

### Loan Amount Minimum

\$100,000

### Loan Amount Maximum

\$3,000,000 (all loans >\$1M require committee approval)

### Loans >\$1M Requirements

- Subject Property must be typical for the neighborhood and demonstrate proven marketability for the area.
- Subject Property is required to be in a stable or growing neighborhood market area and MSA.
- Appraised Value of Subject Property must be similar to the Comparable Sales range and listings from the neighborhood.
- Appraisal Comparable Sales utilized must be from the neighborhood and within a reasonable proximity to the Subject Property.
- The Comparable Sales shall be similar to the Subject Property (bed and bath room counts, living area, property & site features).
- Borrower must have similar experience with Loan Amt. size and project scope within the subject property market area.

### Loans >\$1M or Budgets >\$250k

Experience similar in size and scope to the project submitted is required. Budgets >\$250k require additional review and may be deemed Structural Rehab



## Loan Details

<b>Term Options</b>	12,15, 18, 21 or 24 months (terms in excess of 15 months require management approval)
<b>Amortization</b>	Interest Only
<b>Pre-Payment Penalty</b>	None
<b>Credit Tradeline Requirement</b>	No minimum required
<b>Property Condition Minimum</b>	None
<b>City Restrictions</b>	Exception Basis Only: Detroit, MI, Indianapolis, IN, Cleveland, OH, Baltimore, MD, Philadelphia, PA
<b>State Restrictions</b>	Exception Basis Only: AK & HI. Not available in AR, ND, SD, & VT
<b>Property MSA Restrictions</b>	Top 300 MSA required. For properties outside of the MSA requirement, during the loan application process within 24 hours the credit team will conduct a market area assessment for location, valuation, marketability, can several other factors to expand the lending coverage.
<b>Valuation Requirement</b>	Internal Valuation

## LTC Cost Basis Determination

<b>Purchase</b>	Lesser of Purchase Price OR As-is Value
<b>Unseasoned Refinance (&lt;270 Days Ownership)</b>	Lesser of Purchase Price+ Completed Improvements OR As-is Value
<b>Seasoned Refinance (270+ Days Ownership)</b>	<b>Option 1:</b> 85% LTC Program Option: As-Is Value  <b>Option 2:</b> All Other Program Options: Lesser of Purchase Price + Completed Improvements OR As-Is Value



## Program Options

Program	95 LTC	92.5 LTC	90 LTC	85 LTC	80 LTC
<b>Experience (Last 36 Months)</b>	50+	6+	2+	2+	0+
<b>Min FICO</b>	700	700	700 (660 5+Exp)	660	720
<b>Max LTC</b>	95%	92.5%	90%	85% (80% for Budget Completely Borrower Funded)	80%
<b>Initial Advance</b>	Up to 90%	Up to 90%	Up to 90%	Up to 85%	Up to 80%
<b>Rehab Holdback</b>	Up to 100% of Budget	Up to 100% of Budget	Up to 100% of Budget	Up to 100% of Budget	Up to 100% of Budget
<b>Max Budget</b>	None	None	None	None	\$250,000
<b>Foreign National</b>	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
<b>Declining Markets</b>	Not Eligible	Not Eligible	5% Reduction in LTC & LTV	5% Reduction in LTC & LTV	Not Eligible
<b>Cash-Out (700 Min FICO)</b>	Not Eligible	Not Eligible	Not Eligible	5% Reduction in LTC & LTV	Not Eligible
<b>Rural Property</b>	Exception Basis Only	Exception Basis Only	Exception Basis Only	Exception Basis Only	Exception Basis Only
<b>Max LTV ARV</b>	75%	70% (75% 10+ Exp)	65% (70% 5+ Exp), 75% 10+ Exp	70% (75% 5+ Exp)	65% (70% 1+ Exp)
<b>Non-Warrantable Condo</b>	Not Eligible	Not Eligible	5% Reduction in LTV	5% Reduction in LTV	Not Eligible
<b>Budget Funding</b>	Budget Fully Funded up to 100% of Budget (Equity Up-Front)	Budget Fully Funded up to 100% of Budget (Equity Up-Front)	Budget Fully Funded up to 100% of Budget (Equity Up-Front)	Budget Fully Funded up to 100% of Budget (Equity Up-Front) OR Budget Completely Borrower Funded	Budget Fully Funded up to 100% of Budget (Equity Up-Front)
<b>Loans &gt;\$1M or Budgets &gt;\$250K</b>	Requires comparable experience	Requires comparable experience	Requires comparable experience	Requires comparable experience	Not Eligible
<b>Reserves Required</b> <small>*Based upon full note amount</small>	6 months reserves* + cash to close + Borrower Funded Portion of the Budget (Equity Shortage) + 10% of the holdback	6 months reserves* + cash to close + Borrower Funded Portion of the Budget (Equity Shortage) + 10% of the holdback	6 months reserves* + cash to close + Borrower Funded Portion of the Budget (Equity Shortage) + 10% of the holdback	6 months reserves* + cash to close + Borrower Funded Portion of the Budget (Equity Shortage) + 10% of the holdback	9 months reserves* + cash to close + Borrower Funded Portion of the Budget (Equity Shortage) + 10% of the holdback
<b>Verified Minimum Reserve Requirement</b>	Excluding any cash-back to the Borrower from the transaction (Limited Cash-Out, Delayed Financing, or Cash-Out), the Borrower must document 3 months of monthly payment reserves based on the full note amount	Excluding any cash-back to the Borrower from the transaction (Limited Cash-Out, Delayed Financing, or Cash-Out), the Borrower must document 3 months of monthly payment reserves based on the full note amount	Excluding any cash-back to the Borrower from the transaction (Limited Cash-Out, Delayed Financing, or Cash-Out), the Borrower must document 3 months of monthly payment reserves based on the full note amount	Excluding any cash-back to the Borrower from the transaction (Limited Cash-Out, Delayed Financing, or Cash-Out), the Borrower must document 3 months of monthly payment reserves based on the full note amount	Excluding any cash-back to the Borrower from the transaction (Limited Cash-Out, Delayed Financing, or Cash-Out), the Borrower must document 4.5 months of monthly payment reserves based on the full note amount

## Borrower & Guarantor Eligibility

### Eligible Entities

- 1) Limited Liability Company (LLC)
- 2) Limited Liability Partnership (LLP)
- 3) Limited Liability Limited Partnership (LLLP)
- 4) Limited Partnership (LP)
- 5) Corporation (C Corp or S Corp)

### Entity Guarantor Requirements

All entity members with ownership are required to sign a personal guarantee;  
At least one individual with ownership is required as a Qualifying Guarantor.

### Eligible Guarantor

- 1) U.S. Citizen
- 2) Permanent Resident Alien
- 3) Non-Permanent Resident Alien

### Individual Borrower

Ineligible

### Ineligible Borrowers

- 1) Trusts
- 2) Sole Proprietorships
- 3) General Partnership

### Foreign National

Ineligible

### Felony Convictions

See Borrower/Guarantor Guidelines



## Credit Requirements

<b>Single Qualified Guarantor</b>	3 FICO Scores = Use Middle Score 2 FICO Scores = Use Lowest
<b>Multiple Qualified Guarantors</b>	Use Highest Middle
<b>Bankruptcy / Foreclosure</b>	4+ Years Seasoning
<b>Short Sale/DIL/Modification</b>	4+ Years Seasoning
<b>Mortgage Lates</b>	No 30 day late payments in the last 12 months and no 60 day late payments in the last 48 months
<b>Major Derogatory</b>	48 Months Seasoning

## Required Documents Upfront

<b>Identification</b>		Copy of currently valid, government issued, photo ID
<b>Borrower &amp; Business Application</b>	[Lend Provided]	This application is good for 12 months, and can be used for subsequent loans if the entity and guarantor structure is unchanged.
<b>Guarantor Application</b>	[Lend Provided]	Each Guarantor is required to complete their own personal Guarantor application. This application is good for 12 months, and can be used for subsequent loans if the entity and guarantor structure is unchanged.
<b>Short-Term Application</b>	[Lend Provided]	One application per property
<b>Purchase Contract or HUD Statement</b>		Contract required for all purchase loans. Refinances of properties owned fewer than six (6) months require either the Contract or HUD Statement.
<b>Broker Authorization Form</b>	[Lend Provided]	If Applicable: Brokered loans only
<b>Rehab Budget &amp; Project Scope</b>		Line item budget of planned rehab costs including an overall description of the project scope. (Any format accepted; Lend form available upon request.)



## Required Documents in Processing

### Condo Questionnaire

[Lend Provided, unless FL]

Required for all condos (FNMA 1076 or equivalent always required in FL)

### Liquidity Verification

- Two most recent statements for any account needed to meet the requirement. Acceptable accounts include: checking, savings, money market accounts, CDs, brokerage accounts. Must be complete statement - no online screen shots.
- Sourcing for large deposits will be required in these instances:
  1. Any deposit over 10% of the subject loan amount for loan amounts up to \$750K;
  2. Any deposit over 25% of the cumulative amount of documented liquid assets;
  3. All non-depository accounts with large increases in balances (more than 25%) since the previous statement balance.

### Permits

If project requires permits, all approved permits must be submitted to lender within 90 days of loan closing

### Insurance Declarations Page or Acord Forms

Required on all loans

### Entity Documents

Varies based on entity type. Please see chart below.

Required Entity Documents*		
LLC	LP / LLP	C-Corp / S-Corp
Articles of Organization	Partnership Agreement	Articles of Incorporation
Operating Agreement	Certificate of Partnership	Stock Certificates or Shareholder's Ledger
IRS SS-4 Letter	IRS SS-4 Letter	Corporate bylaws
W9	W9	Director & Officer Appointments
		IRS SS-4 Letter
		W9

\* Lend Investor Capital will pull a Certificate of Good Standing on all entities. If subject property is located in a state other than the entity's registered state, Foreign Qualification is required.





## Insurance Requirements

- 3-month policies required on purchases and refinances where existing policy expires within 30 days of closing
- Hazard coverage equal to the lesser of 100% of the insurable value as established by the property insurer or the loan amount so long as it is not less than 80% of the insurable value
- Commercial General Liability on an "occurrence" basis with coverage of no less than \$500,000
- Builder's Risk coverage of no less than the amount of remaining project costs to be completed
- Condo master policy must cover 100% of the insurable replacement cost of the project improvements and HO-6 coverage sufficient to repair the condo to current condition if the master policy doesn't cover interior improvements
- Flood insurance equal to the lesser of the total amount of the mortgage, 100% of the insurable value of the improvements, or the maximum insurance available from the NFIP

## Property Fees

Service	Cost	Payment Timing
Valuation & Diligence Fee (non-refundable)	\$595  Includes Internal Valuation, Initial Property Inspection, Project Feasibility & GC Review (If applicable); Borrower & Guarantor Background/ Credit (Non Foreign National); Entity Review (Simple Entity Structure)	Collected prior to Submission
Entity Review Fee	\$0 for entities with simple structure \$995 for Complex or Layered Entities	Billed in Processing for Complex/ Layered Entities
Lender Processing Fee	\$1,595	Paid at Closing
Origination Fee	See Conditional Quote	Paid at Closing
3 <sup>rd</sup> Party Settlement Charges	Actual Cost	Paid at Closing
Draw Fee (includes any inspection and wire fee)	\$175	Subtracted From Wire

