Rehab Cosmetic
Product Matrix

Revised Aug. 5, 2026

Product Overview

Loan Purpose	Purchase, limited cash-out (includes delayed financing), or cash-out
Cash-Out Definition	Initial Advance at Closing exceeds the Cost Basis of the Property (Purchase Price + Documented Improvements Since Purchase)
Limited Cash-Out/Delayed Financing Definition	Initial Advance DOES NOT exceed the Cost Basis of the property (Purchase Price + Documented Improvements Since Purchase)
Project Scope	Non-Structural, Non-Gut Rehab
Ineligible Project Scope	• New or Mid-Construction • Structural Renovations • Properties not structurally sound • Removal of exterior walls (including the roof structure) • Removal of interior load bearing walls • Adding additional story, detached ADU or additional units • Adding/Subtracting square feet • Conversions • Properties with Extensive Damage (Fire or Water) • Full Gut Rehab (Down to the Studs) • Budgets with Significant: ◦ Demo ◦ Framing ◦ Mechanical ◦ Rough Plumbing ◦ Rough Electrical
Borrower Type	Entity Only (see page 6 for details)
Eligible Properties	• Single Family Residences, attached or detached (inc. Condo/PUD) • 2-4 Units • Warrantable Condo • Non-Warrantable Condos (5% LTV reduction from max. See guidelines for property eligibility)
Eligible Properties with Special Consideration	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

Term Options	12,15, 18, 21 or 24 months (terms in excess of 15 months require management approval)
Amortization	Interest Only
Pre-Payment Penalty	None
Credit Tradeline Requirement	No minimum required
Property Condition Minimum	None
City Restrictions	Entity borrowers with an address inside the city of Buffalo, NY are ineligible. Exception Basis Only: Detroit, MI, Indianapolis, IN, Cleveland, OH, Baltimore, MD, Philadelphia, PA
State Restrictions	Exception Basis Only: AK & HI. Not available in AR, ND, NH, SD, & VT
Property MSA Restrictions	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.
Valuation/Appraisal	**(2) Options** (non-refundable)**:** **Option 1: 3rd Party External Valuation** – (Hybrid Product) **Cost:** $595 • Not available for: Loans ≥$1M or 2-4 unit properties • Not recommended for: Waterfront, Rural/Semi Rural, Acreage, Luxury Features, Conversions, ADUs, Lot Splits **Option 2:** 3rd Party Full Appraisal – (Includes Inspection) **Cost:** Actual Cost (Transfer Appraisals Not Accepted) *Regardless of option above, an Internal Valuation review will be Performed: The Final Valuation for Lending will be determined by Lender based on review of 3rd Party Valuation and most recently available market data.
Property Inspection Options when choosing <u>3rd Party External Valuations</u>	**(2) Options:** **Option 1:** If Property Access Contact (PAC) is completing the inspection: • No additional action required by Sales • The inspection vendor Proxy Pics will send a text to the Property Access Contact with instructions when PAC is completing the Inspection **Option 2:** If the Borrower chooses the Lender to order & complete the 3rd party inspection: • Sales shall notate "Please Send Inspector" in the Appraisal Notes spot within the Loan Application • The 3rd party inspection company will contact the PAC and schedule the inspection date *For both options, the cost is included in the External Valuation charge

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Program Options

Program	95 LTC	90 LTC	85 LTC	80 LTC
Experience (Last 36 Months)	6+	2+	2+	0+
Min FICO	700	700 (660 5+Exp)	660	720
Max LTC	95%	90%	85% (80% for Budget Completely Borrower Funded)	80%
Initial Advance	Up to 90%	Up to 90%	Up to 85%	Up to 80%
Rehab Holdback	Up to 100% of Budget	Up to 100% of Budget	Up to 100% of Budget	Up to 100% of Budget
Max Budget	None	None	None	$250,000
Foreign National	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Declining Markets	Not Eligible	5% Reduction in LTC & LTV	5% Reduction in LTC & LTV	Not Eligible
Cash-Out (700 Min FICO)	Not Eligible	Not Eligible	5% Reduction in LTC & LTV	Not Eligible
Rural Property	Exception Basis Only	Exception Basis Only	Exception Basis Only	Exception Basis Only
Max LTV ARV	75%	65% (70% 5+ Exp), 75% 10+ Exp	70% (75% 5+ Exp)	65% (70% 1+ Exp)
Non-Warrantable Condo	Not Eligible	5% Reduction in LTV	5% Reduction in LTV	Not Eligible
Budget Funding	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)
Loans >$1M or Budgets >$250K	Requires comparable experience	Requires comparable experience	Requires comparable experience	Not Eligible
Reserves Required	5% of the holdback + Borrower Funded Portion of the Budget (Equity Shortage)	5% of the holdback + Borrower Funded Portion of the Budget (Equity Shortage)	5% of the holdback + Borrower Funded Portion of the Budget (Equity Shortage)	5% of the holdback + Borrower Funded Portion of the Budget (Equity Shortage)

LTC Cost Basis Determination

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

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

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

Required Documents Upfront

Identification		Copy of currently valid, government issued, photo ID
Borrower & Business Application	**[Lend Provided]**	This application is good for 12 months, and can be used for subsequent loans if the entity and guarantor structure is unchanged.
Guarantor Application	**[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.
Short-Term Application	**[Lend Provided]**	One application per property
Purchase Contract or HUD Statement		Contract required for all purchase loans. Refinances of properties owned fewer than six (6) months require either the Contract or HUD Statement.
Broker Authorization Form	**[Lend Provided]**	If Applicable: Brokered loans only
Rehab Budget & Project Scope		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, 401k, IRA, brokerage accounts (see program guidelines for a full list of eligible accounts and applicable requirements). Must be complete statement - no online screen shots. • Sourcing for large deposits will be required in these instances: 1. Any deposit over 30% of the property loan amount. 2. Any deposit over 50% of the cumulative amount of documented liquid assets excluding cash-out from subject or other CLS INVESTORS CAPITAL transactions. 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 Investors 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.

Required Documents in Pre-Closing

Attorney's Opinion Letter Required on Loan Amounts >$1MM in NY

[Sample Letter Available Upon Request]

An attorney's opinion letter is essential for a mortgage loan as it safeguards both the lender and the borrower. It verifies the borrower's legal capacity, ensures the loan agreement is enforceable, and helps mitigate legal risks. For the borrower, it provides expert legal guidance and can streamline the loan process.

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/Appraisal (2) Options, non-refundable**:** **Option 1:** 3rd Party External Valuation - (Hybrid Product) • Not available for: Loans ≥$1M or 2-4 unit properties • Not recommended for: Waterfront, Rural/Semi Rural, Acreage, Luxury Features, Conversions, ADUs, Lot Splits **Option 2:** 3rd Party Full Appraisal - (Includes Inspection) (Transfer Appraisals Not Accepted) *Regardless of option above, an Internal Valuation review will be Performed: The Final Valuation for Lending will be determined by Lender based on review of 3rd Party Valuation and most recently available market data.	**Option 1:** $595 **Option 2:** Actual Cost	Collected prior to Submission
Diligence Fee **Cost:** $0 Project feasibility & GC Review (if applicable), Borrower & Guarantor Background / Credit (non Foreign Nat'l); Entity Review (Simple Entity Structure)	$0	N/A
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
3rd Party Settlement Charges	Actual Cost	Paid at Closing
Draw Fee (includes any inspection and wire fee)	$175	Subtracted From Wire