

## **Scottsdale Fund, LLC Lending Criteria & Terms**

Lending criteria – exceptions have been made with compensating circumstances:

1. 65% LTV maximum. If the property was acquired in approx. the past 24 months, "value" is purchase price plus demonstrable improvement costs.
2. The property must be cash flow positive after debt service and all costs. See Note 1
3. Business purpose loans only.
4. Lending Areas: Nationwide except NY, NJ, IL, NC, SD
5. Loan Amount: \$150,000 to \$1 million
6. Interest Rates: 10.99% to 13.99%
7. Collateral type: Residential or commercial real estate; Commercial only in NV
8. Lien Position: First only
9. Personal guarantees required
10. Whole loans only, service released

### **Loan Terms**

1. Term is from 1 to 3 years with a prepayment penalty of half the term. For example, on a 1 year loan, there's a requirement to make at least 6 months of interest payments. For a 1 point fee, we'll lower the prepayment penalty to 3 months.
2. Prepaid payments at closing anywhere from 3 months to 6 months which covers the first payments due.
3. \$70 per month servicing fee paid by borrower to cover our costs.
4. \$895 Boarding Fee.
5. Payments: terms to be discussed.
6. Geraci Law prepares documentation; all costs paid by the borrower.
7. We make decisions quickly and can close as fast as documentation is completed

### **Documentation Required:**

1. Credit report.
2. 1003 application.
3. Appraisal, BPO or extensive photographs, depending on the circumstances.
4. Copies of all leases.
5. Need to know the use of proceeds.

### **Timing:**

All lending decisions are made by the Scottsdale Fund principals quickly. Our willingness to fund is always subject to final due diligence, documentation approval and receipt of executed documents.

Note 1: It's our policy to not lend on a property when we believe the borrower doesn't have the capacity to make payments, regardless of the LTV. If the rental income is less than the sum of the loan payments, property taxes, maintenance and other costs, we will either: 1. We reduce the loan amount so that the property is cash flow positive; or 2. The borrower provides a specific statement regarding "use of proceeds" and a demonstrable explanation of how income from the property and all other sources exceeds the sum of personal expenses and all property and other expenses.

Scottsdale Fund, LLC is a loan servicing platform for our Family Office and is not a licensed lender or broker. We only accept inquiries from mortgage loan originators.

The above is subject to change without notification