



Real Estate  
Investment Loans  
Made Simple

# Product Overview

**Fix & Flip | New Construction | Rental Property Loans**

This Product Overview is for informational purposes only and is subject to change. The Lender reserves the right to amend its underwriting guidelines in its sole discretion without notice. Exposure limits and property loans are subject to investor and business credit approval, appraisal and geographic location of the property and other underwriting criteria. Loan amounts and rates may vary depending upon loan type, LTV, verification of application information and other risk based factors. Application fees, closing costs and other fees may apply. Each loan is subject to property approval under the Lender's terms and conditions. Each loan is subject to property approval under the Lender's terms and conditions. Each property has an individual secured loan. This document is not for reproduction or distribution without the Lender's prior written consent.

Effective as of 05.08.2019



Loans designed with  
**Real Estate Investors in mind,**  
without all the constraints of hard-money lenders.

**FIX & FLIP**

**NEW  
CONSTRUCTION**

**RENTAL  
PROPERTIES**

**Features include:**

- | No personal income required
- | Lending to LLCs, Corporations, etc.
- | Individual loan amounts up to \$2MM
- | Exposure Limits (LOC) for renovation & construction

---

# **FIX & FLIP**

---



## FIX & FLIP OVERVIEW

**Exposure Limits (LOC) for multiple transactions, with options for experienced and beginner investors.**

- | Industry-leading rates starting at **6.75%**
- | Funding up to: **90%** of Acquisition Costs  
**100%** of Rehab Costs  
**75%** LTV
- | Options for Foreign Nationals & Non-Permanent Residents
- | Fix & Flip and New Construction available on the same LOC

Terms and Conditions apply



## FIX & FLIP

### Exposure Limit (LOC)

<b>Minimum Experience</b>	<b>No experience required.</b> Investors with zero experience may apply for a \$500K max Exposure Limit.
<b>Individual Loan Size</b>	\$50K - \$2MM
<b>Exposure Limit Amount</b>	\$500K - \$10MM
<b>Interest Accrual</b>	Full accrual on max loan amount
<b>Max Loan-to-Value (LTV)</b>	75% of After Repair Value (ARV)
<b>Max Acquisition Financing (LTC)</b>	90% Loan-to-Cost
<b>Rehab Financing (LTC)</b>	Up to 100% Rehab Budget
<b>Borrower Type</b>	Individuals and Entities (LLC, Corporation)
<b>Eligible Property Types</b> <i>Must be non-owner occupied</i>	SFR, 2-4 units, Condos <sup>2</sup> , Multi-family up to 20 units, Mixed-Use
<b>Minimum Interest</b>	90 days minimum interest
<b>Min Credit Score Requirement</b>	620
<b>Valuation</b>	Full interior appraisal

<sup>2</sup> Only detached or townhouse style condo property types are eligible for New Construction loans.



## SAMPLE CALCULATIONS for FIX & FLIP – No Rehab (Bridge)

### Loan Details

Purchase Price	\$500,000
As-Is Value	\$550,000
Construction Budget	\$0
ARV	N/A
Approved LTC	90%
Approved LTV	75%

\* If owned < 6 months, use lesser of purchase price or as-is value. If owned ≥ 6 months, use as-is value only.

### Maximum Loan Calculation

#### LTC Calculation

\$500,000	Purchase Price*
+ \$0	Construction Budget
\$500,000	Total Cost
x 90%	LTC
\$450,000	LTC Max Loan

#### LTV Calculation

\$550,000	As-Is
x 75%	LTV
\$412,500	LTV Max Loan

**Final Max Loan Amount \$412,500**  
(lesser of LTV and LTC)



## SAMPLE CALCULATIONS for FIX & FLIP – with Rehab

### Loan Details

Purchase Price	\$500,000
As-Is Value	\$500,000
Construction Budget	\$300,000
ARV	\$1,000,000
Approved LTC	90%
Approved LTV	75%

\* If owned < 6 months, use lesser of purchase price or as-is value. If owned ≥ 6 months, use as-is value only.

\*\* Total holdback will never exceed 100% of the construction budget.

### Maximum Loan Calculation

#### LTC Calculation

\$500,000	Purchase Price*
+ \$300,000	Construction Budget
\$800,000	Total Cost
x 90%	LTC
\$720,000	LTC Max Loan

#### LTV Calculation

\$1,000,000	As-Is
x 75%	LTV
\$750,000	LTV Max Loan

**Final Max Loan Amount \$720,000**  
(lesser of LTV and LTC)

### Disbursement Calculation

#### Initial Disbursement

\$500,000	Purchase Price*
x 90%	LTC
\$450,000	Initial Disbursement

#### Construction Holdback

\$720,000	Max Loan Amount
- \$450,000	Initial Disbursement
\$270,000	Total Holdback**



## FAQ'S ABOUT FIX & FLIP LOANS

### Q1. What rates are offered?

**A:** Fix & Flip Exposure Limits (LOC) start at a 6.75% interest rate for a well qualified investor with substantial assets and experience.

### Q2. What's the loan term for the exposure limit?

**A:** The standard Fix & Flip exposure limit is for 12 months. Each property funded on the line will have an individual loan tied to it. The standard loan offering is a 12 month interest-only term, with optional extensions. This typically costs 100 bps per extension. Longer terms can be discussed on a case by case basis for larger projects.

### Q3. What property types qualify?

**A:** Single-family detached residences (SFR), 2-4 unit residences, condos (detached or townhouse style), multi-family up to 20 units, and mixed-use.

### Q4: How do Loan-to-Value and Loan-to-Cost work on this product?

**A:** We determine a borrower's maximum loan-to-value (LTV) and loan-to-cost (LTC) based on their experience level. Funding is always subject to the lesser of the approved LTC and LTV ratios.

### Q5: Do we need access to the interior of the property for inspection and appraisal?

**A:** Yes. A full appraisal will be required for all properties. An interior inspection will be required before additional draws are disbursed.

### Q6: What are the advantages of applying for an exposure limit?

**A: Speed and Simplicity.** Once approved for a LOC, the exposure limit provides a streamlined lending process so you can acquire and/or renovate multiple properties faster, without going through a complete borrower review each time you wish to buy a property. Once approved for a LOC, we only need an appraisal, inspection, title and insurance for each property you wish to fund on the LOC.

### Q7: Do I need to use a General Contractor?

**A:** A GC is not required for our Fix & Flip loans. A GC is required for new construction.





## FAQ'S ABOUT FIX & FLIP LOANS

### Q8. When can I request an increase or change to my LOC terms?

**A:** Our standard LOC has a 12 month approval. Investors can request an increase no earlier than 90 days from previous LOC approval, and must show utilization over 50% of the subject limit before a request is submitted. We will review this request for material changes in effective liquidity, net worth, and experience.

### Q9. How do origination points work?

**A:** Origination fees are charged on every property funded on the LOC. There is only a \$750 application fee for a LOC approval. Unlike some other lenders, we do not charge origination points on the entire LOC exposure limit.

### Q10: How does interest accrual work?

**A. Interest is full accrual.** Interest accrues based on the full loan amount, regardless of outstanding principal and disbursements. Funds that are not disbursed at close will be held as an escrow holdback for future renovation draws.

### Q11: If I want to do a rental loan once I've completed the rehab, can I use the same LLC for both fix and flip and rental loan?

**A:** You may use the same entity for Fix & Flip, New Construction, and Single Rental Loans. However, you must use a different business structure for Portfolio loans due to entity structures differences, based on guideline requirements.

### Q12. How is my LOC size determined?

**A:** This can vary based on your business strategy and track record. In general, the LOC is capped at the lesser of 10x the liquidity of all Guarantors combined or Investment Property Transaction history in the past 5 years for all Guarantors combined.

### Q13. Is there a minimum usage requirement, or are penalties incurred for lack of use?

**A:** There is a \$750 fee charged for a LOC application, but if you choose never to use the initial LOC, there are no other fees or interest charged. Non-usage charges will only apply to refreshed LOCs.

---

# **NEW CONSTRUCTION**

---



## NEW CONSTRUCTION OVERVIEW

**Exposure Limits (LOC) for multiple transactions, with options for experienced and beginner investors.**

- | Industry-leading rates starting at **6.75%**
- | Funding up to: **75%** of Land Value  
**100%** of Construction Costs  
**75%** LTV
- | Options for Foreign Nationals & Non-Permanent Residents
- | Land must be fully entitled and build-ready

Terms and Conditions apply



## NEW CONSTRUCTION

### Exposure Limit (LOC)

#### Program Summary

- Best suited for developers or investors building 1 - 5 properties at a time.
- Scattered lots, and infill projects are the primary target for this product.
- Construction must begin no more than 90 days from initial funding.
- Lot financing can be included if lots are in build-ready condition.

<b>Minimum Experience</b>	<b>No experience required.</b> Investors with zero experience may apply for a \$500K max Exposure Limit.
<b>Individual Loan Size</b>	\$100K - \$2MM
<b>Exposure Limit Amount</b>	\$500K - \$10MM
<b>Interest Accrual</b>	Full accrual on max loan amount
<b>Max Loan-to-Value (LTV)</b>	75% of After Completed Value (ARV)
<b>Max Land Acquisition (LTC)</b>	60% if no permits 75% if permits in hand
<b>Construction Financing (LTC)</b>	Up to 100% of construction budget
<b>Borrower Type</b>	Individuals and Entities (LLC, Corporation)
<b>Eligible Property Types</b> <i>Must be non-owner occupied</i>	SFR, 2-4 units, Condos <sup>1</sup> , Multi-family up to 20 units, Mixed-Use
<b>Minimum Interest</b>	90 days of interest
<b>Min Credit Score Requirement</b>	620
<b>Valuation</b>	Full appraisal or land appraisal (for loans < \$500k)

<sup>1</sup> Only detached or townhouse style condo property types are eligible for New Construction loans.



## SAMPLE CALCULATIONS for FIX & FLIP – with Rehab

### Loan Details

Purchase Price	\$50,000
As-Is Value	\$50,000
Construction Budget	\$200,000
ARV	\$350,000
Approved LTC	90%
Approved LTV	75%
Lot LTC**	75%

\* If owned < 6 months, use lesser of purchase price or as-is value. If owned ≥ 6 months, use as-is value only.

\*\* 75% with permit, 60% without permits.

\*\*\* Total holdback will never exceed 100% of the construction budget.

### Maximum Loan Calculation

LTC Calculation	
\$50,000	Lot Cost*
+ \$200,000	Construction Budget
\$250,000	Total Cost
x 90%	LTC
\$225,000	LTC Max Loan

LTV Calculation	
\$350,000	ARV
x 75%	LTV
\$262,500	LTV Max Loan

**Final Max Loan Amount \$225,000**  
(lesser of LTV and LTC)

### Disbursement Calculation

Initial Disbursement	
\$50,000	Lot Cost*
x 75%	Lot LTC**
\$37,500	Initial Disbursement

Construction Holdback	
\$225,000	Max Loan Amount
- \$37,500	Initial Lot Disbursement
\$187,500	Total Holdback***



## FAQ'S ABOUT NEW CONSTRUCTION LOANS

**Q1. Can I use this loan for land development or land purchase with no intent to build?**

**A:** No. The land must be entitled, with infrastructure and utilities in place, or readily available to build within 90 days.

**Q2. What's the loan term?**

**A:** The standard New Construction loan has a 12 month term, with optional extensions. For larger projects, we can review a longer term on a case-by-case basis.

**Q3. What property types qualify?**

**A:** Single-family detached residences (SFR), 2-4 unit residences, condos (detached or townhouse style), multi-family up to 20 units, and mixed-use.

**Q4: Can the product be used to finance subdivisions?**

**A:** Currently the product is mainly intended for infill, scattered lot construction. As a general rule, we limit the number of houses financed within the same development to five at a time.

**Q5: How many draws can I take?**

**A:** We don't cap the number of draws. There is a \$145 fee per draw which covers the inspection and wire.

---

# RENTAL PROPERTY LOANS

---



## RENTAL LOANS OVERVIEW

**Asset-based Single Rental and Portfolio Rental loans for landlords, with no personal income verification.**

- | **No** personal income or tax returns required
- | **No** property count max
- | **80%** max Purchase LTV
- | Blanket loans for **7+** rent-producing doors

Terms and Conditions apply





# RENTAL LOANS

	Single Rental Loan	Portfolio Rental Loan						
<b>Purpose</b>	Purchase or refinance a single rental property	Purchase or refinance a portfolio of rental properties						
<b>Individual Loan Size</b>	\$75K - \$1.5MM	\$700K+						
<b>Term &amp; Amortization</b>	<ul style="list-style-type: none"> <li>• 30 year fixed, full amortization</li> <li>• 5 years interest-only, then 25 year amortization</li> </ul>	<ul style="list-style-type: none"> <li>• 5 or 10 year term (balloon due at end)</li> <li>• Up to 30 year amortization</li> </ul>						
<b>Max Loan-to-Value</b>	80% on purchases, 75% on refinances	75%						
<b>Cash Flow Coverage</b> <i>Property Debt to Income Ratio (PDTI)</i>	<table border="0"> <tr> <td><b>Fully Amortized</b></td> <td><b>Partial Interest-Only</b></td> </tr> <tr> <td>≥150k value : Max 85% PDTI</td> <td>≥150k value : Max 85% PDTI</td> </tr> <tr> <td>&lt;150k value : Max 70% PDTI</td> <td>≥125k value : Max 70% PDTI</td> </tr> </table>	<b>Fully Amortized</b>	<b>Partial Interest-Only</b>	≥150k value : Max 85% PDTI	≥150k value : Max 85% PDTI	<150k value : Max 70% PDTI	≥125k value : Max 70% PDTI	<b>Debt Service Coverage Ratio</b> Fully Amortized: 1.15x DSCR Interest only, LTV ≤ 60%: DSCR 1.15x Interest only, LTV > 60%: DSCR 1.20x
<b>Fully Amortized</b>	<b>Partial Interest-Only</b>							
≥150k value : Max 85% PDTI	≥150k value : Max 85% PDTI							
<150k value : Max 70% PDTI	≥125k value : Max 70% PDTI							
<b>Borrower Type</b>	Individual or Entity (Single Purpose)	Entity (Single Purpose)						
<b>Eligible Property Types</b> <i>Must be non-owner occupied</i>	SFR, 2-4 units, Condos, Townhomes, Multi-family up to 20 units (Portfolio only)							
<b>Pre-Pay Penalty</b>	3% of unpaid principal balance in yr 1; 2% in yr 2; 1% in yr 3	Yield Maintenance or Declining Points for the life of the loan						
<b>Min Credit Score Requirement</b>	<table border="0"> <tr> <td><b>Fully Amortized</b></td> <td><b>Partial Interest-Only</b></td> </tr> <tr> <td>660</td> <td>700</td> </tr> </table>	<b>Fully Amortized</b>	<b>Partial Interest-Only</b>	660	700	660		
<b>Fully Amortized</b>	<b>Partial Interest-Only</b>							
660	700							



## SAMPLE CALCULATIONS for SINGLE RENTAL LOAN

### Loan Details

Property Value	\$500,000
Annual Gross Rent	\$15,600
Annual Taxes & Insurance	\$1,675
HOA Dues	N/A
Approved LTV	70%
Loan Amount	\$105,000
Annual Principal & Interest	\$8,388

\* < \$150K Value: Max PTDI 70%  
 ≥ \$150K Value: Max PTDI 85%

### Property Debt-to-Income (PDTI) Calculation\*

#### LTC Calculation

\$1,675	Annual Taxes & Insurance
\$0	HOA Dues
+ \$8,388	Annual Principal & Interest
<u>\$10,063</u>	<b>Debt Total</b>

#### LTV Calculation

\$10,063	Debt Total
÷ \$15,600	Annual Gross Rent
<u>.64</u>	<b>Debt-to-Income Ratio</b>

**Final Property Debt-to-Income Ratio 64%**  
 (Max PTDI of 85%\*)

## SAMPLE CALCULATIONS for PORTFOLIO RENTAL LOAN

### Loan Details

Property Values	\$1,200,000
Annual Gross Rent	\$131,400
Annual Taxes & Insurance	\$18,733
HOA Dues	N/A
Approved LTV	75%
Loan Amount	\$900,000
Annual Principal & Interest	\$68,700

\* In-place rent if property is rented; market rent if property is vacant. If in-place rent is > market rent, there is a mark-to-market adjustment of (105% x Market Rent).

\*\* 25% haircut (deduction) accounts for operating expenses such as vacancies, property management costs, etc.

### Debt Service Coverage Ratio (DSCR) Calculation\*

#### LTC Calculation

\$131,400	Annual Gross Rent
x 75%	Haircut**
<u>\$98,550</u>	Adjusted Gross Rent
\$18,733	Annual Taxes & Insurance
- \$0	50% HOA Dues
<u>\$79,817</u>	<b>Income Total</b>

#### LTV Calculation

\$79,817	Income Total
÷ \$68,700	Annual Principal & Interest
<u>1.16</u>	<b>DSCR</b>

**Final Debt Service Coverage Ratio 1.16%**  
 (DSCR must be ≥ 1.15x)



## FAQ'S ABOUT RENTAL LOAN PRODUCTS

**Q1. Can a client close in the name of an LLC?**

**A:** For our Single Rental Loan, borrowers may close in an LLC or as an individual. For our Portfolio Rental Loan, borrowers must close in a special purpose entity LLC.

**Q2. Do you offer an Interest-Only option?**

**A:** Yes, we offer an Interest-Only option for both Portfolio Rental and Single Rental loans.

**Q3. What are the key requirements for the Portfolio Rental Loan?**

**A:** Our Portfolio Loan requires a portfolio of seven rent-producing doors. Doors for each unit are counted separately – so, for example, a duplex counts as two doors towards the seven door minimum. In addition, each property must have a value of \$50,000 (\$100,000 in certain markets and \$30,000 for multi-family units), and the total loan amount must be \$700,000 or greater.

**Q4. What if my client has a small portfolio of rental properties with fewer than seven properties? Can you still help?**

**A:** Yes. In cases like this, we can refinance each of your client's rental properties using our Single Rental Loan. He/she can also use our Single Rental Loan to increase their existing portfolio.

**Q5: What types of properties qualify for rental property loans?**

**A:** Single-family detached residences (SFR), 2-4 unit residences, condos (subject to approval), and townhomes. Multi-family properties qualify for our Portfolio loans (between 5-20 units).



Marko Jovic

President

**Jocic Capital, LLC**

Direct: (847) 846-5545

[Mjovic@JocicCapital.com](mailto:Mjovic@JocicCapital.com)