

# New Ground Up Construction Pricing

## What's New?

*There's a new risk-adjusted pricing model for ground-up construction loans. When you enter your loan details, you will see the lowest rate you can charge based on the loan characteristics. You can continue to set higher rates to maximize your earnings.*

## How Does This Benefit You?

**Lower Rates for the Best Loans:** Our new pricing model offers more competitive rates for top borrowers, starting at 9.99% based on loan characteristics

## How to Price Loans Now:

- 1) **Enter Your Deal:** Start a loan submission and provide property and borrower info
- 2) **Set up the Loan Structure:** Select the desired leverage
- 3) **See the Floor Rate:** You can see the adjustments and the lowest possible rate for the scenario you inputted. The minimum points will also be updated if applicable

### Pricing

Interest Rate \* <sup>?</sup>

12%

10.49% 16%

Points \* <sup>?</sup>

1.75%

0% 5%

Broker Points \* <sup>?</sup>

Percentage  Amount

0 %

Lender Underwriting Fee \* <sup>?</sup>

\$ 0

Criteria	Input	Adjustment
Base Rate		10.99%
Borrower Experience	Experience Score 5 (5-19 Ground Up Construction)	-0.5%
Borrower FICO	756	0%
Transaction Type	Mid-Construction Refinance	0%
Leverage	63 LTC	0%
Loan Terms	12	0%
Total Construction Budget	\$400,000.00	0%
<b>Adjusted Floor Rate</b>		<b>10.49%</b>

- 4) **Charge a Higher Rate:** maximize your earnings by selecting any rate higher than the floor

### Pricing

Interest Rate \* <sup>?</sup>

12%

10.49% 16%

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## What impacts Pricing?

Pricing is primarily driven by the borrower's experience tier and the leverage. Below is a comprehensive list:

Rate Adjustments		
		Base Rate
		10.99%
Borrower Experience	Experience Score 1 (N/A)	N/A
	Experience Score 2 (N/A)	N/A
	Experience Score 3 (1-2 GUC)	1.00%
	Experience Score 4 (3-4 GUC)	0.25%
	Experience Score 5 (5-19 GUC)	-0.50%
	Experienced Developer (20+ Completed GUC projects)	-1.00%
Borrower FICO*	<640	Ineligible
	641-679**	0.50%
	680 - 699	0.25%
	700 - 739	0.00%
	740+	0.00%
Transaction Type	Purchase/Delayed Purchase/Refinance	0.00%
	Mid-Construction Refinance***	0.50%
Leverage	<= 70 LTFC	0.00%
	70.01 - 75 LTFC	0.00%
	75.01 - 80 LTFC	0.00%
	80.01 - 85 LTFC	0.20%
	85.01 - 90 LTFC	0.50%
Loan Term	12 months	0.00%
	18 months	0.50%
	24 months	1.00%
Total Construction Budget	<\$1MM	0.00%
	>=\$1MM	0.25%

\*If there are multiple guarantors, the adjustment will be applied based on the credit of the most experienced borrower

\*\*Borrowers with 641-679 credit are subject to review by underwriting, with strong preference for performing repeat borrowers

\*\*\*Defined as a refinance (no debt required) AND completed renovations > 0

Minimum Points to Capital Provider	
If the rate is <=10.99%, Roc requires 0.75% minimum points	
Loan Term	Origination Point
12 months	0.0%
18 months	1.0%

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24 months	1.5%
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What will pricing for average scenarios look like?

The table below shows the rates for typical ground-up loans, which are purchase transactions with average borrower credit and a 12-month loan term.

How Average Scenarios Will Price			
Experience Tier	Leverage (total LTC)	Construction Budget	Rate
Experienced Developer (20+ GUs)	70 LTC	Regular Budget	9.99%
		High Budget	10.24%
	90 LTC	Regular Budget	10.49%
		High Budget	10.74%
Exp Score 5 (5-19 GUs)	70 LTC	Regular Budget	10.49%
		High Budget	10.74%
	85 LTC	Regular Budget	10.69%
		High Budget	10.94%
Exp Score 4 (3-4 GUs)	70 LTC	Regular Budget	11.24%
		High Budget	11.49%
	85 LTC	Regular Budget	11.44%
		High Budget	11.69%
Exp Score 3 (1-2 GU)	70 LTC	Regular Budget	11.99%
		High Budget	12.24%
	85 LTC	Regular Budget	12.19%
		High Budget	12.44%