



# Private Money Funding Options

(September 2023)

## Option 1 (Full Private Money)

- Funds for Purchase and Repairs are provided by PML
- Repayment: Annualized Interest Rate or JV Partnership / profit share
- PML in 1<sup>st</sup> Lien Position not to exceed 75% LTV
- ARV greater than \$200k
- Requires all Security Instruments listed below

## Option 2 (Hard Money 3<sup>rd</sup> Party Funding)

- Funds for Purchase and Repairs are provided by a 3<sup>rd</sup> party Hard Money Lender (HML)
- HML Pre-Approval Required
- Funds for debt service (down payment, points, and interest payments) provided by PML
- Repayment: JV Partnership / profit share
- LTV not to exceed 80%
- ARV greater than \$200k
- Requires JV Partnership agreement signed by both the Investor and PML

## Option 3 (Acquisition Purchase PML Only)

- Funds for Purchase are provided by PML
- Repair funds to be provided by others – verification required
- Repayment: Annualized Interest Rate or JV Partnership / profit share
- PML in 1<sup>st</sup> Lien Position not to exceed 70% LTV
- ARV greater than \$200k
- Requires all Security Instruments listed below

## Security Instruments

1. Deed of Trust securing PML created by title company
2. 1<sup>st</sup> Lien Position
3. Loan Title Policy
4. Promissory note provided by PML
5. Lien Waivers to protect PML against contractor and/or material suppliers' liens
6. PML listed as additional insured on property insurance