



CALL 610-578-0715

ASSET BASED BRIDGE LOANS – UNDERWRITING CHECKLIST

Documentation Needed for Term Sheet

Use this guide to save time and give your deal the best chance for approval. A well-organized loan summary should include the following essential information:

Executive Summary A concise, but thorough, overview that includes:

- **Description of Property** & its Estimated or Appraised Value, SF, Number of Units.
- **Legal Owner** of the Property.
- **Loan Amount & Use of Funds**—Debt owed/Liens on the property/Cash out, What For?
- **Date of Purchase & Price**—How much cash has the borrower invested?
- **Debt Service**—How will the borrower make monthly loan payments?

Will it produce income or is an interest reserve needed?

- **Loan Term Requested**—Conventional loans are amortized over 20 to 25 years. Hard and soft money loans are typically interest only payments over the loan term which can range from 1 to 5 years.

- **Exit Strategy**—Refinancing? Selling? How will you exit our loan at maturity?
- **Equity**—Red Star lends up to 65–70% LTV on purchases and refinances on income producing commercial properties. Red Star requires borrowers to have a minimum 20% equity in their projects. Some secondary financing is sometimes allowed.

- **The Story**—What type of loan are you seeking—hard money or conventional? Is this a purchase or refinance? What 'skeletons in the closet' or 'bumps in the road' does Red Star need to know about in order to provide you with a quick, reliable answer?

Color Photos of the Property and/or Appraisal At least three shots each of interior, exterior and the neighborhood are helpful. Red Star does not require a current appraisal to review the loan, but the most recent appraisal will be helpful.

Operating Income (P&L) Most recent 2 years on the subject property; summary of lease agreements and rent roll. If owner occupied, provide operating statement from the business.

1003 Loan Application or Personal Financial Statement on the Borrower/ Guarantor. Include approximate credit score or recent copy of credit report.

Upon receipt of the above items, Red Star can usually issue a Letter of Intent/Term Sheet within 48 hours.

If you have questions about a loan, please call us at 610-578-0715

Email your submissions to GPolao@RedStarMortgage.Com

Contact us today with loan scenarios: (610) 578-0715