

Residential Bridge

Marketplace Investment Criteria

Effective 03/02/2020

This is a summary of loan terms acceptable to Private Leverage.

Loan Criteria

Loan Size \$75,000 to \$250,000
Private Leverage will consider loans with a total principal balance greater than \$250,000 on a case-by-case basis.

Loan Purpose Residential business purpose:

- Acquisition
- Refinance

Loan Strategy

- Renovation loans:
 - Fix to rent
 - Fix and flip
- Bridge loans:
 - Rental
 - Hold with no renovation and no rental

Property Types Single-family residential (1-4 units). No land or ground-up construction.

Loan-to-Value (LTV) Maximum Maximum loan advance rates:

- 80% of "as-is" LTV
- 90% loan-to-purchase-price (LTPP), for acquisitions
- 100% cumulative-loan-to-value (CLTV)
- 70% loan-to-after-repair-value (LTARV), for loans with construction reserves
- The maximum for cash-out refinance is 65% LTV and 60% LTARV

Loan advance rates are contingent on loan terms, such as cash-out, loan strategy, subordination, FICO, subordinate debt and other characteristics.

Term 4 to 24 months remaining

Occupancy Non-owner occupied only.

Lien Type First-position trust deeds and mortgages.

Location United States (excluding South Dakota and Minnesota).

Will not make loans for rural properties. Generally, if the property is located in a Census Bureau defined MSA with fewer than 50,000 residents or a Census Bureau defined place with fewer than 7,500 residents, the property will be considered rural.

High-rise condominiums in Las Vegas or Florida will not be considered.

First-generation condominiums or housing communities will not be considered.

Participation Positions Lenders may retain a B-piece or have the option to participate side-by-side with Private Leverage in a pari passu position.

Junior Liens Allowed with intercreditor agreement. All subordinate liens must be co-terminus with or mature after the first mortgage (or deed of trust).

Recourse Recourse in the form of a personal guaranty is required for entity borrowers, including trust borrowers. At least one guarantor must be an owner of the borrowing entity. Individual borrowers are allowed.

Multi-Collateral Subject to all properties conforming to the marketplace Private Leverage credit box.

Loan Processing

Loan Documents Must use documents provided or approved by Private Leverage.

Valuation Private Leverage requires a valuation on all properties. Acceptable forms include appraisals, Residential Evaluations, and interior BPOs (broker's price opinion). Use of Private Leverage approved valuation vendors is highly recommended.

Loans over \$250,000 require an appraisal.

Loans with construction reserves require an appraisal for the after-repair value (ARV).

Construction Management Private Leverage requires approved third-party construction management to oversee the draw process, including inspections. Upon submission of draw requests, Private Leverage will collect third-party progress inspection reports, lien releases, and receipts in order to determine approval of the draw request. Loans with construction reserves that exceed \$250k or 40% of the unpaid principal balance are subject to a higher level of due diligence.

Servicing Private Leverage purchases loans on a servicing-released basis and retains a sub-servicer.

Borrower/Guarantor Characteristics

Borrower Type	Individual or U.S. entity required.
Borrower/Guarantor Credit Score	Minimum credit score of 620 for the borrower/guarantor is required. Private Leverage will obtain an updated credit score if the credit report provided in the loan file is over four months old.
Bankruptcy	The borrower/guarantor must be at least one year removed from discharge/dismissal.
Borrower/Guarantor Track Record	<ul style="list-style-type: none"> • At least one previous project is required for renovation loans • No track record is required for rental loans
OFAC (Background) Checks	Required for all borrowers and guarantors.
Borrower Eligibility And Documentation	A U.S. Citizen or a permanent resident alien. If the borrower is a U.S.-domiciled company, then a Certificate of Good Standing must be provided.

Insurance Requirements

Title Insurance	<p>Private Leverage requires all of the following to be provided:</p> <ul style="list-style-type: none"> • ALTA 2006 form policy • Minimum coverage of 100% of loan balance • Signed escrow instructions • Copies of all title exceptions to review, if requested • All loan files that contain a title commitment or preliminary title report issued by a title agent, on behalf of a national title insurance company, must include a closing protection letter (agent authorization letter in NY) with ISAOA language; if the file contains a final title insurance policy, a closing protection letter is not required
Property, Casualty, Liability, and Other Insurance	<ul style="list-style-type: none"> • Property insurance coverage must equal the lesser of the replacement cost or loan amount • Liability insurance coverage of \$1M • Insurance issuer must meet the ratings criteria set forth in the Fannie Mae guidelines • Lender must be listed as mortgagee, loss payee, loss payable, or additional insured • Coverage must include fire and extended perils, and other hazards customary to the area • Flood insurance required for FEMA-designated special flood hazard areas • Earthquake coverage required in high-risk zones and/or as recommended in a property condition report • Hail and wind coverage may be required