

## Rehab Loans

*Home rehab investors are individual entrepreneurs who find housing properties that need rehabilitation. Their sole purpose is to purchase the property, fix it up, and sell or refinance it. House rehabbing can be very lucrative if the properties are chosen wisely, the work is done right, and if this is all done in a timely fashion. Choosing the right financing is crucial.*

*Without the right financing, the rehabber's ability to act quickly, purchase the property, and be able to renovate it properly, will be severely limited. These loans were designed to address the very specific needs of the rehab investor. Each loan is for a term of one year, but may be paid off at any time. There are no seasoning issues or pre-payment penalties.*

### **“Rehabber Friendly” Terms**

- *Loan will be 100% of the sale price and 100% of the repair funds, not to exceed 65% of the ARV (after repair value).*
- *Turn around time on the loan: Within (2) weeks.*
- *Maximum length of the loan: (12) months.*
- *No pre-payment penalties*
- *Seller’s concessions/assists may be used to finance the closing costs, as long as the loan does not exceed 65% ARV.*
- *If purchase and repairs costs are below 65% of ARV closing costs can be wrapped into the loan.*
- *Interest only payments (no principal) until the property is sold or refinanced. There is no penalty for early loan pre-payment.*
- *Repair funds go into an escrow account: The escrowed repair funds are paid to the rehabber on a reimbursement basis. The rehabber pays for materials and labor and presents these receipts and/or lien waivers as required. Appointments for inspections in order to receive payments must be made at least (3) days in advance. Copies of the receipts and/or lien waivers must be provided at the time of the reimbursement*
- *Rehabbers are not permitted to live in a mortgaged property. The property must be purchased for the sole purpose of renovating it and either selling it, or eventually refinancing it. This cannot be your primary place of residence.*

# Payment Plans

## Monthly Payment Plan

**Credit Score: Minimum 620**

*Closing costs and fees: 8 points (not including normal closing costs: title fees, taxes, insurance, etc.).*

*Interest only payment rate is 1.25 % per month or 15% on an annual basis.*

*Maximum term: 1 Year*

*Benefits: Purchase a property quickly and easily, with the minimum amount of money out of pocket. This will allow you flexibility and financial breathing room for you and your family while working on your properties!*

## Half Payment Plan

**Credit score minimum: 630**

*Closing costs & fees: 8 points (not including normal closing costs: title fees, taxes, insurance, etc.).*

*Each month, the borrower will be required to make a payment of 0.75% of the size of the loan. This adds up to 9% (if held for an entire year).*

*Interest only payment rate is 1.5% per month, or to 18% on an annual basis.  
Your monthly payments will be half of this amount, the other half of your interest payments come due when the loan is paid back.*

*Maximum Term: 1 Year*

*Benefit: Your cash flow!*

## **6 Months-No Pay Plan**

*How would you like to get an acquisition and repair loan for your investment property, and not have to make monthly payments for six months? How helpful would this be for your investment strategy and for your monthly cash flow? We will arrange this for you if you are qualified.*

**Credit score minimum: 670**

*Closing costs & fees: 8 points (not including normal closing costs: title fees, taxes, insurance, etc.).*

*Interest only payment rate is 1.5% per month or 18% on an annual basis*

*Monthly payments are not due for the first six months of the loan. After the sixth month, you will start monthly interest only payments.*

*Loan payoff: Principal plus the first six months of interest (or for as many months as is deferred by the borrower, up to six months).*

*Maximum Term: 1 Year*

## Rehab Funding

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### *Payment Plans*

**Rehab Funding** was designed to address the very specific needs of the rehab investor. Each loan is for a term of one year, but may be paid off at any time. There are no seasoning issues or pre-payment penalties.

Please review the specific details and qualification criteria of each of our uniquely designed plans below:

#### *Monthly Payment Plan*

##### *Rehab Funding "Rehabber Friendly" Terms*

Loan will be 100% of the sale price and 100% of the repair funds, not to exceed 65% of the ARV (after repair value).

**Turn around time on the loan:** Within (2) weeks.

**Maximum length of the loan:** (12) months.

**Closing costs and fees:** 6 points (not including normal closing costs: title fees, taxes, insurance, etc.). The average closing costs and fees for each loan will range between 9%-11% of the loan, depending on the amount of the loan

Seller's concessions/assists may be used to finance the closing costs, as long as the loan does not exceed 65% ARV.

Interest only payments (no principal) until the property is sold or refinanced. The interest rate is 15% on an annual basis or 1.25% per month.

There is no penalty for early loan pre-payment.

Repair funds go into an escrow account. The escrowed repair funds are paid to the rehabber on a reimbursement basis. That is, the rehabber pays for materials and labor and presents to Rehab Funding these receipts and/or lien waivers as required. Appointments for inspections in order to receive payments, must be made at least (3) days in advance. Copies of the receipts and/or lien waivers must be provided to Rehab Funding at the time of the reimbursement.

Rehabbers are not permitted to live in a mortgaged property. The property must be purchased for the sole purpose of renovating it and either selling it, or eventually refinancing it. This cannot be your primary place of residence.



### Payment Plans

*The advantages to you, the Rehab real estate investor, are obvious. With Rehab Funding, you can purchase a property quickly and easily, with the minimum amount of your money out of pocket. This will allow you flexibility and financial breathing room for you and your family while working on your properties!*

#### Half Payment Plan

**Credit score minimum:** 630

**Term of the loan:** (1) Year, 100% of the sale price and repair costs/65% ARV, 2 week turn around.

**Pre payment penalties:** None

**Points:** 7 (not including normal closing costs: title fees, taxes, in-surance, etc.). Altogether, the fees should range between 9% - 11% of the total of the loan. A seller's concession may be used to finance the closing costs as long as the loan does not exceed 65% ARV.

*Major benefit: Your cash flow!*

##### How this plan works:

Each month, the borrower will be required to make a payment of 0.75% of the size of the loan. This adds up to 9% (if held for an entire year).

The total interest rate that you are borrowing for this plan is 1.5% per month, which adds up to 18% per annum at the end of the loan. Your monthly payments will be half of this amount, the other half of your interest payments come due when the loan is paid back.

*Remember investors, it's all about cash flow!*

#### 6 Months No Pay Plan

How would you like to get an acquisition and repair loan for your investment property, and not have to make monthly payments for six months? How helpful would this be for your investment strategy and for your monthly cashflow? If you are qualified, Rehab Funding will arrange this for you!

## Rehab Funding

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### *Payment Plans*

#### **What are the qualifications?**

A credit score of 670 or above.

A property with low loan to value ratio (No greater than 65% ARV).

Just like our regular rehab financing plan, Rehab Funding (or an agent for Rehab Funding) will inspect each property, and review all the planned repairs. If the property looks promising, an independent appraisal will be ordered. Upon a favorable result, the loan will be arranged.

#### **What are the specific details of the loan?**

Term of the loan: (1) year.

**Points and Costs:** 7 points (not including normal closing costs: title fees, taxes, insurance, etc.). Altogether, the fees should range between 9%-11% of the total of the loan. A seller's concession may be used to finance the closing costs as long as the loan does not exceed 65% ARV.

**Down payments:** None. The loan will be 100% of the sale price.

**When do monthly payments start?** Monthly payments are not due for the first six months of the loan. After the sixth month, you will start monthly interest only payments. (If you pay off the loan before this, there will be no monthly payments).

**Interest costs:** 18% per annum. (1.5% each month until the loan is paid off or refinanced). There is no penalty for early pre-payment.

**Loan payoff:** Principal plus the first six months of interest (or for as many months as is deferred by the borrower, up to six months).

### *Zero Upfront Points Plan*

**Wow!** Zero points upfront. It doesn't get any better than that! For those real estate investors out there with strong credit (minimum fico score – 690), and a comfortable amount of reserves, this opportunity is for you.

If you choose, Rehab Funding will defer your points to the end of the loan (after you refinance or sell the property). The amount of points will be higher than our other plans, (9) points, but this will allow you to pay them out of your profits, not

## Rehab Funding

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### Payment Plans



out of pocket at the closing. Also, please note that the points are deferred, not rolled into the loan, so you are not paying any extra interest on the back ended points!

With this plan, you will be given the option to choose from any of our rehab loan plans (Monthly Pay Plan, Half Pay Plan, or the Six Month-No Pay Plan).

*Remember gang, it's all about cashflow!*

## **Rehab Funding Pre-Qualification Checklist**

**The following pre-qualification packages and credit information must be assembled:**

\_\_\_\_\_ **Credit Application - (1003, Trimerge Credit Report & Loan Submission Sheet)**

\_\_\_\_\_ **(2) Years Tax returns and/or W-2's**

\_\_\_\_\_ **(3) Most Recent Months Bank Statements (checking, savings, money market, stocks. Do not include retirement accounts)**

\_\_\_\_\_ **(2) most recent pay stubs**

\_\_\_\_\_ **Copy of current Drivers License**

\_\_\_\_\_ **Completed property spreadsheet for current investment properties**

**The following is needed for each property, but not needed for pre-approval.**

\_\_\_\_\_ **Signed Sales Agreement**

\_\_\_\_\_ **Comprehensive list of repairs**



# FAQs

## **1) How do I pre-qualify for a loan?**

*Complete a 1003 with your broker and provide all the documents on the Pre-Qualification Checklist.*

## **2) What are the minimum and maximum loan amounts?**

*The minimum loan is usually \$100,000. The maximum loan is normally \$1,000,000.*

## **3) Is there a minimum credit score required?**

*The minimum credit score is normally 620. If you have a lower fico score, yet have a good pay history, rehab experience, and strong cash reserves, there may be alternative ways to work with you.*

## **4) What type of properties can be funded?**

*Loans are limited to residential properties (1-4 units). Loans are not available for commercial, mixed use or large multi unit properties.*

## **5) Can I do more than one loan at a time?**

*There is not a specific number of loans that anyone can have at one time. The limit will be based on each borrower's financial ability to hold additional loans.*

## **6) Do I have to pre-qualify each time I want to do a new loan?**

*No. You will not be required to redo the pre-qualification process. You will only need to send updated bank/investment or open lines of credit statements.*

## **7) Are there pre-payment penalties?**

*No. The faster you fix the property up and sell or refinance it, the more profit you will earn. Real estate investors should never pay pre-payment penalties!*

## **8) What are the terms, fees, and interest rates for a loan?**

*Each loan plan has different terms and costs. For individual breakdowns, please refer to the "Payment Plans" section of this website.*

### **9) Can closing costs be rolled into the loan?**

*Yes! The loan will be for up to 65% of the ARV (after repair value) for any property. As long as the loan does not exceed this, you may receive 100% of the sale price, 100% of your repair costs, and even have some or all of your closing costs rolled into the loan. The bottom line is that if your loan to value is sufficiently strong, you can get into a property with little or no money down!*

### **10) How can I get repair funds for the property?**

*These are construction loans, so at the time of the property settlement, all repair funds are placed in an escrow account. Periodically, as the work is being done, you may contact the lender and request that an inspection be ordered so that you can receive a draw. Please note that repair funds are a reimbursement for work that is completed. No repair money is actually fronted (unlike the funds to acquire the property, which are fronted). Therefore, you will need to have funds to start any rehab project (always figure that the typical contractor that you use will require 25% to 50% up front in order to commit their time and to purchase materials in advance).*

*You may order as many inspections as you like. There is no set schedule. However, each inspector does charge for their time (generally around \$75 for follow up draw inspections, depending on distance traveled, etc.), so you should order inspections to meet your cash flow needs.*

*Your repair fund reimbursements will come to you in one of two ways. You may elect to have these payments mailed to you, or you may request the funds be wired to you. (The banks charge a small fee for the wiring, and you would be charged this fee).*

### **11) Do I have to borrow repair funds?**

*You don't have to borrow repair funds. If the loan is only for acquisition money, it will be based on 65% of the "as is" price, instead of 65% of the ARV as is normally the case.*

### **12) Can I order my own appraisal?**

*No, the lender must order any appraisal for the property.*

### **13) Can I obtain a "proof of fund letter"?**

*Yes! As long as you have sent in all information and been pre-approved.*

### **14) How quickly can closing be scheduled?**

*As long as you are pre-qualified, closing can be scheduled within 2 weeks. (subject to the title work and the appraisal being completed).*

**15) Can I live in the house during the course of the loan?**

*No, loans are only on properties that are non-owner occupied.*

**16) Are points ever discounted for volume or loan size?**

*Discounts will be considered after your third loan or for deals above \$400,000.*

**17) Are there any states where a rehab project can not be funded?**

*Loans can not be made in Alaska, California, Hawaii, Louisiana, and Vermont.*

**18) What are the citizenship requirements for a loan?**

*You must be a citizen of the US to get a loan.*

# Rehab Funding

# Property Inspection Report

PROPERTY ADDRESS:	STREET	CITY	STATE	ZIP
PREPARER: _____	DATE: _____			

Condition	Poor	Fair	Good	Comments	Estimated Cost of Repairs
<b>1) Grounds</b>					
a) Landscaping	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
b) Patio/Deck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
c) Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
d) Driveway	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
e) _____ <small>(other)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
<b>2) Exterior</b>					
a) Foundation <small>(cracks, separation, sealing)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
b) Roofing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
c) Wood Exterior	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
d) Siding <small>(indicate type)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
e) Porches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
f) Garage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
g) _____ <small>(other)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
h) _____ <small>(other)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
<b>3) Interior</b>					
a) Windows	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
b) Carpeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
c) Hardwood Floors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
d) Walls and Ceilings <small>(cracks, signs of leakage)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
e) Bedroom #1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
#2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
#3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
#4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
f) Kitchen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
g) Bathroom #1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
#2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
#3 <small>(1/2 Bath)</small>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
h) Dining Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
i) Family Room	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
j) Den	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
k) Attic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____
l) Basement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	_____





**JTI Rehab Funding**  
**PO Box 531**  
**Haymarket, VA 20168**  
**540-341-4180**

## **REAL ESTATE INVESTOR PROFILE**

Name: \_\_\_\_\_ SS#: \_\_\_\_\_

Name: \_\_\_\_\_ SS#: \_\_\_\_\_

Corporate Name(if applicable): \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Phone#: \_\_\_\_\_

Cellular#: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail : \_\_\_\_\_

Present Employment \_\_\_\_\_  
(Company, position, years employed)

Properties Owned(List addresses – If more than five, write list on  
separate page)