

# PRODUCT OVERVIEW

## Construction Loan

**Term (up to)** 24 months

**Purpose** Vertical new construction financing on build-ready lots

**Property Type**

- Single Family
- Condo
- 2-4 Unit Properties
- Townhouses

**Maximum Loan Amount**

Min Loan Amount	\$500,000
Max Loan Amount Per Unit	\$3,000,000
Max Loan Amount	\$22,500,000

**Total Units per Loan** Multiple properties per loan allowable if in the same jurisdiction

**As Repaired / Improved LTV** Up to 75%

**LTC** Up to 90%

**Monthly Payments** Interest Reserve required for the full term. Monthly Payments with an additional 50bps Fee and proof of >10% liquidity.

**Funds at Closing** For acquisition and reimbursement of Construction Costs

### General Requirements

- All lending for investment purposes only
- Interest calculated on drawn balance unless Gross Interest is selected
- Construction draws based on inspection report or supporting documentation
- 1st Lien Position always

### Borrower Requirements

- No Individuals. Borrower must be an LLC or Corporation
- Minimum 660 credit score. Exceptions considered with compensating factors.
- Must have demonstrated experience of similar property types and size in the last 18 months. Demonstrated experience is evidenced of completed and sold or stabilized inventory. GC experience may not be counted unless the GC becomes a guarantor of the project.
- Liquidity  $\geq 5\%$ . May not included earnest money deposited towards the sale of the finished project.
- Personal Guarantee preferred; Limited Guarantee considered with 50bps fee paid at closing (may not be rolled into the loan balance).
- Maximum Guarantor Loan Commitment is \$50,000,000. Exceptions considered for large regionals or repeat.

### Build-To-Rent SFR Overlays

- Minimum 700 credit score. Exceptions considered with compensating factors.
- Where the desired loan exit is a rental loan, loan amount will be constrained to the lesser of the sales comp or income approach

To calculate the income-based approach:

- Minimum 1.20x DSCR using:
  - Interest rate matching the provided take-out letter by an approved provider, fully amortizing over 30-Year Term
  - 30% minimum OPEX
- Maximum 75% LTV
- Must be individually platted properties



Legacy Financial, Inc.

**Chad Bates**  
 cbates@legacyfinancial.com  
 (+1) 817-925-9999

**Legacyfinancial.com**