

ALT-Rehab Loan Program



Purchase a rehab property fast with fewer conditions!

The ALT-Rehab loan is a first mortgage up to 89.9% Loan-to-Value (LTV). The program is ideal for borrowers who want a lower down payment so that they can conserve their cash and apply it to repairs to the purchased property. It's designed to accommodate borrowers that want a hassle-free closing.

How is it Different?

- General Contractor bids and architectural drawings not required
- Payments are not secured or controlled
- No inspections during the course of repairs

Loan Structure

- Maximum LTV is 89.9%
- 1/1/25, 3/1/25, 5/1/25 and 7/1/25 ARMs
- Maximum loan amount is \$750,000.
Call us to discuss higher loan amounts.
- Borrower must document funds for the repairs
- Foreign Investor loans not eligible

Underwriting Qualifications

- 740 FICO up to 89.9% LTV
- 720 FICO up to 85% LTV
- 700 FICO up to 80% LTV
- Reduce LTV by 5% for Investor and second homes
- Resort-zoned and/or properties using short-term rents to qualify: reduce LTV by 15%.
Not eligible for 7/1/25 ARM product

Repairs

- Not to exceed 15% of the purchase price or the "as is" appraised value of the property; whichever is less.
- Repairs cost must be between \$20,000 to \$100,000 and must be completed within 6 months of loan closing
- Borrower must document that they have the funds needed to complete the repairs
- A representative will inspect repairs upon notification of completion

Unique Underwriting Elements

- Multiple collateral can be used to lower LTV
- Projected rental income acceptable for investor loans

Properties Not Eligible

- Construction started but not completed (final building permit still outstanding)
- Homes in "tear-down" condition
- Agricultural-zoned properties



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Transaction Example

Borrower wants to purchase a property listed at \$400,000 that needs \$50,000 in repairs. Borrower has a 740 mid-FICO score.

<u>\$400,000</u>	Purchase Price and Appraised Value "As Is"
x 89.9%	Maximum LTV
<u>\$359,600</u>	Maximum Finance Factors Mortgage Loan Amount
<u>\$40,400</u>	Down payment from Borrower (10.1% of value)
+ <u>\$11,000</u>	Estimated Closing Costs assuming 3% (points, escrow, doc fees, etc.)
<u>\$51,400</u>	Cash needed to close
+ <u>\$50,000</u>	Cash needed to complete repairs
<u>\$101,400</u>	TOTAL CASH needed by Borrower

Quick Check

Qualifier	YES	NO
Repair Cost (As-Is Condition)	15% or less of Property Value	More than 15% of Property Value
Repair Cost	\$20,000 to \$100,000	Below \$20,000 or Above \$100,000



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