

FINANCIAL RESOURCES and Assistance of the Lakes Region Inc.

Main Office • Meredith, NH

Oklahoma Branch Office Contact Jeff Long

Phone (918) 307-2003 • Fax (918) 307-2103 jlong@fran.com

Dear Contractor,

As we had discussed, **Financial Resources** has developed a new unique **sub-prime construction loan program**. This program allows you to close construction loans that you would never have imagined possible. Financial Resources has been closing on a variety of loan products for years, providing the timely answers clients need.

We at Financial Resources can help you or your clients meet your sub-prime construction loan needs. Our ground-up construction and substantial rehab loans can be used for construction of primary residences, second homes, investment properties or spec homes. We can finance builders or borrowers who have credit scores as low as 480 on a full doc or stated income basis. Typically we can close these loans within 3-4 weeks.

- Our maximum available loan to value is typically 65% of the completed value, this can however be adjusted slightly dependent on the deal
- This is an interest only loan and typical interest rates on this type of project will range from 11 to 15%
- We will work from the appraised property value subject to completion

We have closed a variety of loans recently, below are some of our more creative loan scenarios:

Center Tuftonborough, NH - Construction Completion

- Property appraised to be worth \$550,000 upon completion
- The borrower had IRS liens against the property of around \$100,000
- Borrower had other debts of around \$75,000 for materials and work already done on the property
- This was a partially completed home on 10 acres of property
- Financial Resources loaned the borrower \$310,000 which was used to pay off the IRS liens, pay off the other debts and complete the construction
- On this occasion all closing costs were also rolled onto the loan amount

New London, NH - Blanket Loan for New Construction

- Client owned three lots and had existing mortgages on all three
- We loaned a total of \$620,000 to pay off the existing mortgage of \$125,000 on one lot and build a home on this lot
- The home was appraised to be worth \$725,000 upon completion
- In order to make the LTV's work we created a blanket mortgage and took 1st position on the lot to be built on and 2nd position on the other two
- We were also able to roll all closing costs into the loan amount

Fitchburg, MA - Apartment Building Rehab

- Client owned an apartment building for a number of years and had an existing mortgage of \$75,000
- The building was needing significant work done to bring it up to an acceptable standard to be rented out
- The appraised value upon completion was \$530,000
- We were able to lend the client \$344,500 to complete this project and pay off the existing mortgage

Hillsborough, NH - 5 Lot Subdivision Construction

- Client owned an attractive piece of land free and clear which he had plans to subdivide
- Phase 1 was to build on three of the five lots. We had separate appraisals done on the homes he planned to build
- Based on the completed values of these homes we were able to loan the builder enough money to complete the construction work and put in place all the required infrastructure
- The total loan on this project was \$710,000

If you would like more information or feel we could help you or your clients with a construction project please feel free to contact me.

Regards,



Jeff Long, CPA – **Director of Commercial Lending**