

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@franhh.com

Dear Contractor:

As we had discussed, Financial Resources has developed a number of new construction loan programs. With our loan offerings we can take your construction leads and turn them into closed deals and completed properties, translating into increased profits for your company. We are offering loan programs on primary and secondary residences, as well as on investment and commercial properties. Financial Resources has been closing on a variety of loan products for years, providing the timely answers clients need.

We will tailor loans to meet the needs of all contractors regardless of their credit background and building experience. This program allows you to close construction loans that you would never have imagined possible. We are currently focusing on closing sub-prime construction loans in New Hampshire, Massachusetts, Maine and the Dallas/ Fort Worth Metroplex region of Texas.

We will consider builders or borrowers who have credit as low as **480** providing they have property with which they can secure the loan or a reasonable down payment. We have the ability to provide loans on either a full or stated income basis. The program is very simple. All you have to do is prepare a summary of your project for us.

I have enclosed four sections that will help you decide if your deal is realistic and merits submission to us:

1. Loan Product List and Description
2. Sub-prime Construction Loan Specifications
3. Pre-qualification Questions
4. Pre-qualification Worksheet

Should you have any questions, deals, or scenarios to discuss, call me at (918) 307-2003. I look forward to working with you.

Sincerely,



Jeff Long, CPA
Director of Commercial Lending

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Loan Products

- Custom Construction :** Custom construction loans are for borrowers who hire a third-party general contractor to build their primary residence, secondary residence, or investment properties.
- Owner/Builder Construction :** These loans are for borrowers who wish to act as their own general contractor to build their primary residence, secondary residence, or investment properties.
- Speculative Construction :** This program is for borrowers who are building new single-family homes for resale or investment purposes.
- Construction Completion :** These loans are for borrowers who require funds to finish construction of a new single family home.
- Substantial Rehabilitation :** The substantial rehab program is for borrowers who wish to take equity out of their home to undergo a significant home improvement project.
- Commercial Construction :** This program is for borrowers who wish to take out loans for rehabilitation or construction projects on commercial property.
- Modular Construction :** Modular home construction loans are for borrowers primary residence or investment properties. Also contractors can use this program for spec modular homes.

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Construction Loan Specifications

We here at Financial Resources will work on each loan application on a case-by-case basis after the application is submitted. Some of our loan specifications are as follows.

- We will make loans for first mortgages and seconds will be considered on a case-by-case basis
- We will work with borrowers with all credit scores
- Our maximum available LTV is 65% of the completed value
- Typical interest rates on this type of project will range from 12 to 14%
- Closing costs will be assed on a case-by-case basis
- There will be no pre-payment penalty on the construction loan
- On all construction loans there will be a balloon
- We will work from the appraised property value on a case-by-case basis, not on the cost of construction
- If the borrower returns to Financial Resources for the long term mortgage they will receive a two point credit

The Next Step

If you feel that your client's project may fit in to one of our offerings feel free to contact me, Jeff Long, by phone at (918) 307-2003. Some of the information you may wish to have available for our initial conversation is described on the following page.

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Pre-qualification Questions

Financial Resources appreciates all of your loan needs. We want to deliver a quote that will fit all of your loan requests. The key to the best pricing on any of our loans is the delivery of detailed and accurate information about the property, plans and motivation of the borrower.

We suggest that all contractors gather the pertinent information and the goals of the proposal so that we can quickly customize and structure a loan to meet all their needs. This page is designed to let you know what questions we will be needing answers to, and will help you identify if your project merits submission to us.

Type of Financing: Is this a request for a construction or substantial rehab loan?

Amount of Loan: How much are you looking for? For all construction loans we need to understand exactly what the borrower is planning to use the loan for. We also need to know if they own the lot outright or making payments on the lot.

We need to know exactly how much the property is going to be worth when construction is completed. In the case of spec homes we need to know what their expected selling price is. Is this consistent with others in the area they are building? We will send out our own appraiser later in the process, therefore this initial figure will only be used as a guide.

Down Payment & LTV: The keys to fundable loans especially in the sub-prime market are the down payment and hence the LTV's. In the case of our sub-prime construction loans it is important that you have either a significant down payment or substantial equity in a primary residence, secondary residence or investment property to secure the loan. After submission to us, we will make decisions on each loan application on a case-by-case basis.

Borrower Motivation: What are the key issues? Why are you doing this construction or rehab work? What are you looking for in a construction loan? Are you planning to sell the property when the construction is complete? Will this be your primary residence?

Builder/Contractor: Who will be coordinating and overseeing the project? Do you have significant experience in doing projects of this type? How long have you been in business? How long do you foresee the construction taking?

Description of the Property: Is the property prepared for construction? Is it safe? Where is it? Will it be part of a neighborhood or will it sit alone? Are there other houses of the planned type nearby? What was on the land previously? Are there any environmental issues regarding the surrounding area?

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Pre-qualification Worksheet

Name of Borrower: _____ Ph: _____ Fax: _____

Cell: _____ Email: _____

Address: _____

Property Address: _____

Loan Type:

Custom Owner/Builder

Spec Completion

Rehab Commercial

Anticipated Completed Value: _____

Loan Amount: _____

Down Payment or Equity: _____

Borrower Motivation (purpose of construction):

Builder/Contractor (who will be overseeing project?):

Experience? Y N _____ years

How long will the project take? _____ months

Property Description (circle where applicable):

Prepared for Construction? Neighborhood or Stand Alone?

Similar Houses Nearby? Y N Where Located?

Environmental Issues? Y N _____

Full Doc or Stated Income? Credit Standing: A B C D or Credit Scores: _____, _____, _____

Long-Term Mortgage Desired? Y N