



**3550 W. 6<sup>th</sup> St., Suite 400  
Los Angeles, CA 90020**

RE: Funding Requirements

In order to move quickly, I would need the following signed and in my file prior to funding.

1. At least One Current Appraisal within 30 days of funding, done by an approved Appraiser. Approved means, MAI, or an appraisal office that has done appraisals for at least 5 years with reputable banks in the local area. I would also like to have a report from your office or an inspector sent to the property to confirm value and review the condition of the property, if there are any problems which could affect value and act as our “eyes” as we are out of area. I need the report and appraisal for our file.
2. Purchase & Sale Contract and any addendums, signed by both parties and in contract. .
3. Needs to be Updated / Amended if expired as the contract would be null & void. Need Buyer and Seller to sign something that allows us the time to get the loan funded, which typically is two to three days in addition to the date of closing.
4. Minimum 10% down from Buyer. We have to see borrower has something to lose and blood in the game. As I told you, we usually require 10%, but we will look at a min 5% down, if other risk factors are reduced i.e.; great credit, low LTV, history with you on other deals, etc. We have to see borrower has something to lose and is at risk on the property; otherwise, they just walk away and we have to clean up the mess. If a borrower only has \$25,000 in the deal, it is not enough. They have friends and family and can find a way to come up with a minimum of 5%, if they want the deal bad enough.
5. Minimum Two to Five Points to Sky West RE Services paid up front when we fund the loan. Points are subject to increase or decrease, subject to the risk, timeframe & urgency to fund and other factors.
6. Minimum 60 days interest at 18%, plus 1.5% late fees for every 10 business day following the due date of the loan. Example, I lend \$1.0M, if the loan is not paid off on time, then a 1.5% late fee, or \$15,000 is due every 10 business day. If the borrower is 1 day or 9 days late, it is still 1.5% late fee.

7. Deed in Liu signed prior to wiring, funding or recording - We will give them a grace period. If we are not paid off during the grace period we record and take the property.
8. Signed 1003. Signed credit report and ALL the usual loan doc's signed: VOD, VOE, Credit letter of explanation, etc. ALL NEED TO BE SIGNED prior to wire or funding.
9. Personal Guarantees from Borrowers signed at close. Need it on your form or a title form.
10. Income Verification - How is his/her cash flow? I need personal as well as company VOD in many cases where we are looking at self employed. Need to see other assets if something were to go wrong.
11. Lender take-out letter of Approval- I need to know a lender is going to fund and take us out. The stronger the letter, the less the risk to us. Needless to say, as water tight and non-generic is what I am looking for.
12. Signed Note & Deed of Trust – Need to have these signed and in my file prior to sending my approval to fund and record the loan.
13. Credit Letter - Charge off's or credit derogatory's from the collection account? Need signed letters of explanation from Borrowers on any/all matters.
14. Title – Need a copy of the Title Report for our file.

Please be sure to send all of this to me by PDF and do not send until it is signed, otherwise, you are going to have to send it twice.

Typically, we need a minimum of 3 to 5 days. One to two days for all the paperwork to come in. One day to review and give our commitment. One day to wire. This would be the fastest we can go. I would prefer a minimum of one week, if possible, as our workload backs up and there is only so much time in a day.

Once the borrower has signed all the paperwork at the Title or escrow company, I need a copy faxed to my office. Once we receive it, we will review and if acceptable, send a letter to the title/escrow officer instructing them to fund and record the loan.

Once the loan is recorded, I need the recorded Deed, or a copy thereof, faxed or mailed within 3 business days from recording as proof that we are on title and all is secure. I look forward to working with you.

Cordially,

A handwritten signature in cursive script, appearing to read "R. Jeffrey Lowden".

R. Jeffrey Lowden  
Managing Director & General Partner