Real Estate Bridge Loan Checklist

1. Executive Summary
    a. Loan Application
    b. Bios of Principals
    c. Schedule of Real Estate owned or Projects Completed in the Last 24 months
    d. Credit reports for principals
2. Entity formation information
    a. Formation documents, such as certificates of formation or articles of formation
    b. Entity governing documents, such as operating agreements or partnership agreement
    c. Good standing certificate
    d. EIN confirmation letter
3. Assets and Financials
    a. Personal Financial Statement
    b. Business and personal bank statements
    c. 3-year tax returns
    d. Current pay stubs if employed outside of real estate investing
4. Purchase contract
    a. Fully executed purchase and sale agreement
5. Valuation
    a. CMA/BPO
    b. Print out from the County website
    c. Comparables
    d. Pictures
    e. Video
6. Insurance bundle
7. Preliminary title commitment
    a. Make sure it includes Schedule B
    b. Payoff letters
8. Repair Estimates
    a. Completed budget worksheet with estimates from contractors/subcontractors
    b. Inspection report
    c. Copy of contractor license and insurance information
9. Project Timeline
10. Estimated profitability numbers
11. Statement on the exit strategy

<u>Deal Summary</u>

- The purpose of the loan
- Challenges with the property and or transaction
- Preliminary financials
- Requested loan amount

- Purchase Price/As-Is Property
- Value (As-Is)
- Estimated Construction Cost
- After Repair Value (ARV)
- If stabilized, the NOI
- If not stabilized the results you expect to achieve once stabilized
- Exit strategy to pay off the loan

<u>Application Flow</u>

1. Complete application
2. Run credit report
3. Background check
4. The lender sends an LOI and a list of documents to submit.
5. The lender orders the appraisal while the client collects and submits the other required documents.
6. The underwriter reviews the documents.
7. The underwriter sends the reviewed documents file to the Loan Committee for review.
8. If the Loan Committee approves they will send out a Loan Commitment Letter to sign.
9. Due Diligence Requirements
10. Borrower - Signed application, Statement of Real Estate Owned (SREO), Personal Financial Statement (PFS)
11. Business - LLC, Business Structure, Proof of Good Legal Standing, Proof of Experience (Past HUD 1 Settlement Statements), SS-4, Operating Statements, Copies of Taxes (3 yrs), Rehab Scope and Budget, Copies of all signed leases, Proof of Insurance.
12. Property - Purchase Agreement, Appraisal, Title Commitment, Title Insurance, Rent Roll

<u>Due Diligence Check List</u>

1. Make sure the personal address is the same on all documents and matches their driver's license.
2. Don’t apply for credit or ignore a bill.
3. Your real estate experience only counts if your name or your LLC name is the same on all HUD 1 Settlement Statements.
4. Leases must have the signatures of all parties.
5. Purchase Agreements must be signed by all parties.
6. LLC identifies all owners. Do not add or remove owners.
7. Make sure LLC names are the same everywhere.
8. LLC documents signed by all members
9. Consent form signed by all the LLC owners designating an authorized signature with approval to sign the loan.