

Credit Line for Purchase of Foreclosed Houses – Buying/Flipping Distressed- REO and Trustee Sales (CA only)

Credit Line Amount: \$1,500,000 to \$12,500,000

Maximum Loan to Cost: Between 55% and 65% of Purchase Price, depending on property type, subject to Loan Committee's valuation and approval

Initial Advance: Initial Advance shall be no less than \$500,000

Subsequent Draws: Draw amounts may be no less than \$150,000

Interest Rate: 7.90%

Term: 12 months

Initial Monthly Payments: Interest only on Disbursed Funds for the first 90 days. After 90 days, interest shall be payable on the Credit Line Amount, unless adjusted as provided below.

Maximum Loan Adjustments: After 90 days, Borrower may reduce the Credit Line Amount, and interest shall be payable on the new Credit Line Amount only. At any time thereafter, Borrower may further decrease or increase said amount up to the Initial Credit Line Amount. Increases may require up to 45 days' notice.

Origination Fees: 2.0 points to Lender.

Broker Fees: To be determined

Evaluation\Processing Fee: \$250 per property, payable with Borrower's acceptance of terms

Option to Extend: Two 6-month Options to Extend as follows:
- First 6 months for 1.0 point to Lender. at 8.30%
- Second 6 months for 1.5 points to Lender. at 8.60%

At such time that Line of Credit is extended, the Outstanding Principal Balance shall become the Credit Line Amount.

Partial Reconveyance: Release Prices shall be 120% of the Allocated Loan Amount for each property.

Additional Properties: After the Initial Advance, additional houses will be funded under separate Notes and Deeds of Trust, up to the Credit Line Amount. Borrower shall pay a \$250 Evaluation\Processing Fee for each additional property.

Prepayment Penalty: None

3rd Party Fees: Borrower pays all 3rd party fees including title and escrow

Closing Date: Within 5 days from receipt of full package

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