

# MENTOR FINANCIAL GROUP

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## HARD MONEY DOCUMENTATION REQUIREMENTS

*What Is Needed for a Hard Money Loan*

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Part 1 of 2*

Everyday I am asked the same question "What documents do you need?" or "What do you need in a package?" Only after an investor is interested in funding your loan will you get a detail list of requirements. This list will adjust as new issues come up like unreconveyed loans, unknown judgments on the property, etc. Generally speaking, here is a helpful list of possible documentation requirements for your loan. (Please note: This list is comprehensive, but vary by lender and property type.) The list is broken into sections for easier review.

**Main Requirements:** The following are documentation requirements typically required for all loans:

- Executive or Offering Summary with a property history,
- Borrowers Experience,
- Most Recent Appraisal, opinion of value (BPO) or comps,
- Title Report, if not available please provide APNs or similar,
- 1003 or similar loan application,
- Credit report or authorization to pull credit,
- Color photos of the Property- front, rear, side, inside and street scene,
- Schedule of monies invested in project to date including if applicable purchase date, amount, etc.,

- Acquisitions need a copy of purchase contract and escrow instructions,
- Use of funds schedule,
- Pro forma financial, and
- Research and any other support documentation available (i.e. Notice of Default, Foreclosure information, etc.).

**Income Property:** Income properties have additional requirement which are listed below.

- Rent Roll (List of tenants unit, name, unit size/bedrooms, term of lease, current rent),
- Schedule of Leases (List of tenants, start date, lease expiration, square footage, mix, deposits and rent),
- Copies of all tenant leases or rental agreements, and
- Property; last two years income and expense statements, along with a year-to-date operating statement.

**Construction Projects:** These have additional requirements listed below;

- Copies of construction plans and budgets, and
- Funding Schedule.

**Land Acquisition and Development:** Additional requirements are listed in the following collum:

- Environmental Reports (Phase I),
- Environmental Impact Report (EIR) and Wildlife Studies,
- Plat Map (preliminary or final),
- Survey and Engineering Work Copies,
- Please provide a write up with government agency's letters, notes, etc., and
- Funding Schedule.

*to be continued...*

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