



## Commercial / Industrial Program

**Loan Amounts:** \$2,000,000 to \$15,000,000 (Up to \$19,999,999 Case by Case.)

**Interest Rate:** From 5.95% to 6.95%

**Fixed Rate Interest Period:** 5 or 10 Years

**Recourse:** Full Recourse or Non Recourse Available Case by Case.

**Prepayment:** 5 Years, 5%-4%-3%-2%-1%

**Loan to Value:** For projects that are stabilized up to 70% of As Is Value

### **Ground Up Construction Loan to Cost:**

70% to 80% Loan to Cost up to 70% of the Stabilized Value.

**Lien Position:** 1st Lien Position

**Close of Escrow:** 30 - 60 Days

**Origination Fee:** 1% to 2% paid at COE

### **Collateral Types:**

Office Complexes, Retail Strip Centers, Mixed Use, Medical Offices, Assisted Living Facilities, Hotel / Motel (Flag or Independent.), Industrial, Warehouse, Manufacturing, Land that is fully entitled and shovel ready. No Residential, No Multi-Family, No Raw Land.

**Locations:** ***US Only.*** Rural OK. All US locations will be considered on a case by case basis.

### **Program Summary:**

Small to mid market business owners that require leverage for owner occupied or investment grade cash flowing real estate should apply for this program.

Stabilized As Is Refinances or Ground Up construction projects that are shovel ready and fully entitled will be accepted for review. **There are no application fees.**

There are full recourse offerings along with non recourse offerings. Interest Rates and Origination Fees are determined by the project and sponsor qualifications.

Either a 5 Year Fixed Rate or a 10 year Fixed Rate will be offered upon review of your project.

Unlimited Cash Out up to 70% Loan to As Is Value.



# HARDMONEY

## **Program Details:**

### **Closing Costs, Origination Fees, Broker Fees, 1 Year of Insurance + 1 Year of Taxes:**

*These items must be paid at the closing of escrow.* They can be rolled into the loan, as long as the projected loan amount does not exceed either the loan to cost, or loan to as is value parameters of the program. *Any amounts that cannot be paid out of the loan proceeds, must be brought to the table by the Sponsors.*

### **Due Diligence Deposits:**

**Site Inspection:** \$1795 - \$3495 depending on scope and location.

**Appraisal** - to be determined by Appraisal Management Company.

**Feasibility Study** - to be determined by third party invoice *if required.*

**Environmental Reports** - to be determined by third party invoice *if required.*

**Traffic Study** - to be determined by third party invoice *if required.*

**Market Study** - to be determined by third party invoice *if required.*

***\*Not All Third Party Reports listed are required.*** Please discuss with your Account Executive exactly which third party reports your project will require.

### **Title and Escrow:**

Sponsors may determine the title and escrow company they wish to utilize. ***All transactions must close via a title / escrow company.***

### **Broker Fees:**

\_\_\_ Broker charges cannot exceed lender origination points.

Broker fees must be submitted via Broker Invoice.

***Brokers are protected.***

### **Transaction Types:**

Refinances only. Ground Up Construction projects must be shovel ready and fully entitled.



# HARDMONE

### **Sponsor Loan to Cost Contribution:**

Purchase monies, soft costs, site preparation, and any further contributions if required at the close of escrow will be calculated and counted towards the Sponsor's Loan to Cost Contribution.

### **Title Seasoning:**

*There is no set title seasoning requirement.* Sponsors that are seeking to refinance a stabilized project must have obtained the specific project occupancy, gross, and net revenue requirements.

*Construction projects do not have a seasoning guideline, but must be shovel ready and fully entitled.*

### **Construction & Stabilization Time frames:**

On a 5 Year Fixed Rate the construction and stabilization time frame may not exceed 3 years.  
On a 10 Year Fixed Rate the construction and stabilization time frame may not exceed 5 years.

### **Interest Only Payment:**

Payments are interest only during the construction and stabilization period.

### **Amortization Schedule:**

Either a 25 year or 30 year amortization schedule will be offered.

### **Construction Draw Reimbursement Process:**

**Step 1.)** Sponsors must pay for and complete the work.

**Step 2.)** Sponsors will fill out a 1 page draw request form, provide pictures of work complete.

**Step 3.)** Hardmone will send out a draw inspector to check the work.

**Step 4.)** Your request will be approved, changed, or denied.

**Step 5.)** Your draw request will be wired to your checking account.

*This total process should take no more than 24 to 72 hours to complete.*



# HARDMONEY

## **Subject Property Insurance:**

Must meet or exceed the request loan amount.

## **Net worth Vs. Loan Request:**

Sponsors must have a net worth that meets or exceeds the loan amount requested for ground up construction projects.

## **Sponsorship Qualification:**

### **Ground Up Construction:**

*All Sponsors* that will Personally Guarantee the deal must have a minimum of a 660 FICO Score or higher.

Sponsorship must have 10% of the *construction budget* or more *as liquid reserves.*

6 to 12 Months Reserves on the new projected mortgage payment.

Sponsorship must have development experience.

Sponsorship must have Loan to Cost Contribution, along with any closing costs that cannot be rolled into the Loan Request.

Sponsorship must have a net worth of 1 to 1 or higher in comparison to the loan request.

### **Stabilized As Is:**

Sponsors that will personally guarantee the deal must have a minimum of a 660 FICO Score or higher.

Sponsors must have 6 to 12 months of the new proposed mortgage payment as liquid reserves.

Sponsors must have any closing costs or other costs associated with the project that cannot be covered by the new mortgage as liquid reserves.

Sponsorship must have experience in Commercial Real Estate.

Sponsorship must have a strong net worth, but no net worth to loan ratio is calculated on As Is deals.



# HARDMONEY

## **Foreign Nationals:**

Foreign National Applicants will be requested to provide documentation about Real Estate and Assets outside of the United States. Foreign National Applicants will have to provide Visa Eligibility, along with provide a valid domestic ID or DL. There are no additional fees or application fees for Foreign National Applicants. Subject Properties must be located domestically at this time.

## **Stabilized As Is Projects Work Already Completed:**

Receipts and/or invoices for the work that has already been completed up to the date of the refinance request must be provided if the project has less than 24 months title vesting. For projects over 24 months, a list of capital improvements is all that is required.

## **Stabilized Debt to Service Coverage Requirements:**

Projects must have a 1.25 or higher Debt to Service Coverage or higher at the time of application.

## **Ground Up Construction Projects Debt Service Plan:**

Projects must have a plan to defray the cost of proposed mortgage, whether from:

- A.)** Interest Reserves funded out of the proposed loan;
- B.)** Sponsorship has verified net worth and liquidity to adequately cover proposed loan;
- C.)** Sponsorship has a global cash flow from investments or Real Estate Owned to adequately cover proposed loan.

## **General Contractor Requirements for Ground Up Construction Projects:**

### **General Contractors must provide the following documentation:**

License.

General Contractor Liability Insurance and Bond.

Resume w/ a focus on prior projects that are similar to the proposed project.