



**LIQUID 360**

**UNDERWRITING  
GUIDELINES**

**11/10/2025**

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## OVERVIEW

Liquid360 guidelines are structured to guide its users towards making common sense lending decisions on loans to borrowers who may have needs for short term credit liquidity. These borrower's situations generally require the consideration of alternative forms of documentation to demonstrate a reasonable expectation that each borrower is able to repay the loan.

Loans eligible for sale to a Government Sponsored Entity (Federal National Mortgage Association ("Fannie Mae" or "FNMA") or Federal Home Loan Mortgage Corporation ("Freddie Mac" or "FHLMC") are not eligible for the Alt-QM programs.

For any guideline not addressed in these guides, defer to Fannie Mae Guidelines.

Program Features						
Repayment Period	11 months					
Prepayment Penalty	None					
Lien Type	First & Second Mortgages Only					
DTI	N/A					
Borrower Payment	Interest Only					
Extensions	Up to two 6 month extensions (loan must be current)					
Impounds	Required on all 1st TD transactions					
Eligibility						
Occupancy Type	Owner Occupied (Consumer or Business Purpose), Second Home (Consumer* or Business Purpose) and Investment *Consumer Purpose Owner Occupied & Second Homes eligible up to max 60% LTV/CLTV					
Maximum LTV/CLTV	Max 70% LTV/CLTV					
Minimum Loan Amount	\$300,000					
Maximum Loan Amount - 1st TDs	\$2,500,000 - max 70% LTV/CLTV   \$5,000,000 - max 60% LTV/CLTV					
Maximum Loan Amount - 2nd TDs	\$1,000,000 - up to max 60% CLTV *Total subject loan aggregate not to exceed \$6,000,000 2nd TDs must be no less than 1/3 of the amount of the existing 1st TD loan amount.					
Subordinate Financing	Existing and/or new subordinate financing is not permitted					
Borrower						
Eligible Borrowers	US Citizens & Permanent Resident Aliens only					
State Eligibility						
Ineligible States	Colorado, Illinois, Massachusetts & New York, Texas: (a)(6) not permitted					
Reserves						
≥ 720 FICO	0 (zero) months					
640-719 FICO	6 (six) months					
≤ 639 FICO (Min. FICO = 600)	12 (twelve) months					
Credit						
Tax Liens	Must be paid prior to or at closing					
Property - General Requirements						
Eligible Properties	1 unit SFR, PUD, Condo, Townhouse, 2-4 Units, Fee Simple Vacant Land Leasehold Manufactured and/or Mobile Homes, Log Cabins Rural Properties Properties with zoning and/or environmental violations Co-ops, Condo, Timeshare hotels Boarding Houses or Bed/Breakfast Properties					
Ineligible Properties	Must be FNMA warrantable					
Condominiums	CHM will order the appraisal through an approved AMC. Appraisal is good for 60 days. A Desk Review is required supporting value (OCA, CDA or ARR) for each appraisal. Two appraisals are required for loan amounts ≥ \$2,500,000 *Transferred appraisal not permitted.					
Appraisal	Required on all transactions					
Title Insurance						
Property - Condition & Quality						
Property Condition/Quality & Max TV *Refer to full guidelines for rating descriptions	Condition	Max LTV				
	C1	70%				
	C2	70%				
	C3	65%				
	C4	60%				
	C5	55%				
	C6	Not permitted				
Property - Neighborhood Characteristics & Present Land Use						
Neighborhood Characteristics & Max LTV	Location	Max LTV	Built Up	Max LTV	Growth	Max LTV
	Urban	70%	Over 75%	70%	Rapid	70%
	Suburban	65%	25% - 75%	65%	Stable	65%
	Rural	60%	Under 25%	60%	Slow	60%
Present Land Use & Max LTV *Based on majority	One-Unit	70%				
	2-4 Unit	65%				
	Other	60%				
	Florida Condominium	60%				

**Refer to Current Rate Sheet for Rates & Pricing**

<b>Program Fees</b>	
* \$1,950 Underwriting Fee for loan amounts < \$2,500,000	* Mortgage / Transfer Tax, Government fees
* \$3,950 Underwriting Fee for loan amounts \$2,500,000 - \$5,000,000	* Appraisal, Flood, Title Report
* 2 Point Discount Fee	* Closing Agent/Settlement Fees, Recording
* 2 Point Extension Fee	

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## LIQUID 360

### PROGRAM ELIGIBILITY

- **Liquid 360** - Program designed to fulfill short-term financing needs until a borrower secures permanent financing, receives alternative income or liquidity or removes an existing obligation.

The following loan product is eligible as a 1<sup>st</sup> or 2<sup>nd</sup> lien transaction subject to LTV/CLTV limitations as reflected on the current product matrix:

#### **Interest-Only**

- 11 months

Interest Only Period: Available for the entire Fixed period of the loan.

Amortization Period: 11 months

A balloon payment is required at the end of the loan term when the remaining principal must be paid in full, if applicable.

Refer to program matrices for additional requirements.

#### **2<sup>nd</sup> TD – Additional Requirements**

- Total subject loan aggregate not to exceed \$6,000,000
- 2<sup>nd</sup> TD loan amount must be no less than 1/3 of the amount of the existing 1<sup>st</sup> TD loan amount.

### LOAN AMOUNTS

#### **Minimum Loan Amount**

- \$300,000

#### **Maximum Loan Amount**

- \$5,000,000

### OCCUPANCY

- Primary Residences (Consumer or Business Purpose)
- Second Homes (Consumer or Business Purpose)
- Investment Properties

### MAXIMUM LTV/CLTV

- 70% / 70%

- Consumer Purpose Primary Residence and Second Home transactions are permitted up to max 60% LTV/CLTV

#### ESCROWS – IMPOUND ACCOUNTS

Escrows for taxes and insurance are required on all 1<sup>st</sup> mortgage liens and all HPML transactions.

#### SECONDARY FINANCING

Any existing or new outside subordinate financing is not permitted.

#### AGE OF DOCUMENTS

Per FNMA standard guidelines, aside from the appraisal which expires after 60 days.

#### BORROWER STATEMENT OF OCCUPANCY

##### **Primary and Second Homes (Consumer Purpose)**

Borrower must acknowledge the intended purpose of the subject property (“Primary Residence” or “Second Home”) by completing and signing the appropriate sections of the “Occupancy Certification” found in EXHIBIT A of this guide.

##### **Business Purpose and/or Investment Properties**

Borrower must acknowledge that the loan is a business purpose loan by completing and signing the appropriate sections of the “Occupancy Certification” and “Certification of Business Purpose” in EXHIBIT A & H of this guide.

#### BORROWER CONTACT CONSENT FORM

To assist the loan servicer in contacting the borrower in a timely manner, the Loan Officer is required to obtain a valid phone number and email address for the borrower(s). The phone number and email address can be collected on the URLA loan application or by using the Borrower Contact Consent Form (Exhibit F) in the Exhibit section of the Guide.

#### STATE AND FEDERAL HIGH COST LOANS

High cost loans are not permitted.

#### STATE RESTRICTIONS

The Liquid 360 product is not permitted for the following:

- Colorado
- Illinois

- Texas: (a)(6) transactions not permitted
- Massachusetts
- New York

#### PREPAYMENT PENALTY

Prepayment Penalties are not permitted.

#### UNDERWRITING

All files are manually underwritten.

#### INTEREST CREDITS

Loans must close within the month the loan documents are drawn or a redraw will be required.

#### ASSUMABILITY

Loans are not assumable.

#### PROPERTY INSURANCE

Property insurance for loans must protect against loss or damage from fire and other hazards covered by the standard extended coverage endorsement. The coverage must provide for claims to be settled on a replacement cost basis. Extended coverage must include, at a minimum, wind, civil commotion (including riots), smoke, hail, and damages caused by aircraft, vehicle, or explosion.

Policies that limit or exclude from coverage (in whole or in part) windstorm, hurricane, hail damages, or any other perils that normally are included under an extended coverage endorsement are not acceptable.

Borrowers may not obtain property insurance policies that include such limitations or exclusions, unless they are able to obtain a separate policy or endorsement from another commercial insurer that provides adequate coverage for the limited or excluded peril or from an insurance pool that the state has established to cover the limitations or exclusions.

Additional requirements apply to properties with solar panels that are leased from or owned by a third party under a power purchase agreement or other similar arrangement.

The insurance coverage should reflect one of the following:

- 100% of the insurable value of the improvements, as established by the property insurer; or
- The unpaid principal balance of the mortgage, as long as it at least equals the minimum amount—80% of the insurable value of the improvements—required to compensate for damage or loss on a replacement cost basis. If it does not, then coverage that does provide the minimum required amount must be obtained.



The maximum allowable deductible for all required dwelling policies is 5% of the property insurance coverage amount.

The maximum deductible must not exceed \$25,000 for wind/hail coverage.

All forms and endorsements pertaining to the program's requirements must appear on the "Declaration Page" or endorsement of the policy.

Policy must provide coverage for a term of at least 1 year. If any existing policy provided will expire within 6 months of the closing date, said policy must be renewed in order to meet the required 1 year term or the current policy must be impounded. \*Note: Properties that carry Master Insurance policies do not apply to this requirement if building coverage is sufficient.

## TRANSACTION TYPES

### ELIGIBLE TRANSACTIONS

#### **Purchase**

- Proceeds from the transaction are used to finance the acquisition of the subject property..
- LTV/CLTV based upon the lessor of the sales price or the current appraised value.

#### **Rate/Term Refinance**

- Proceeds from the transaction are used to pay off an existing first mortgage loan and any subordinate loan used to acquire the property.
- Buying out a co-owner pursuant to an agreement.
- Paying off an installment land contract.
- Cash back in an amount not to exceed the lesser of 2% of the new loan amount or \$5,000 can be included in the transaction.
- LTV/CLTV based upon the current appraised value.

#### **Cash-Out Refinance**

- A refinance that does not meet the definition of a rate/term refinance
- A mortgage secured by a property currently owned free and clear is considered cash out.
- The payoff of delinquent real estate taxes, federal taxes, state taxes and judgments (60 days or more past due) is considered cash out.
- The borrower must indicate the purpose of the cash out proceeds. For business purpose transactions the cash out proceeds must be solely for business purposes, otherwise the subject transaction is to be underwritten based on consumer purpose requirements.

#### Seasoning Requirements:

- Cash-Out Seasoning is defined as the difference between closing date of the new loan and prior financing note date or date of purchase or date of legally binding option to purchase (as part of lease option).
- If owned less than 12 months, use lesser of purchase price plus documented improvements or appraised value. If more than 12 months use appraised value.
- Cash-Out Seasoning of less than (6) months is not permitted unless the borrower acquired the property through an inheritance or was legally awarded the property (divorce, separation), or purchase price was set under a bonafide lease-option agreement more than 12 months prior to closing date.
  - If the property was owned by an LLC that is majority-owned or controlled by the borrower(s), the time it was held by the LLC may be counted towards meeting the borrower's six month ownership requirement.
  - If the property was owned by an inter vivos revocable trust, the time held by the trust may be counted towards meeting the borrower's six month ownership requirement if the borrower is the primary beneficiary of the trust.

### NON-ARMS LENGTH AND INTERESTED PARTY TRANSACTIONS

#### **Non-Arm's Length**

A non-arm's length transaction occurs when the borrower has a direct relationship or business affiliation with subject property Builder, Developer, or Seller. Examples of non-arm's length transactions include family sales, property in an estate, employer/employee sales and flip transactions.

When the property seller is a corporation, partnership or any other business entity it must be ensured that the borrower does not have any ownership of or interest in the business entity selling the property.

#### **Interested Party Transaction**

A Conflict-Of-Interest Transaction occurs when the borrower has an affiliation or relationship with the Mortgage Broker, Loan Officer, Real Estate Broker or Agent, or any other interested party to the transaction.

An examination of the relationship among the Mortgage Broker, Title/Escrow Companies, Appraiser and any other party to the transaction must be understood. A Letter of Explanation regarding the relationship between the parties is required.

#### **Non-Arm's Length and Interested Party Transactions Eligibility**

- Employer to employee sales or transfers not allowed
- Property trades between buyer and seller not allowed

## BORROWER ELIGIBILITY

### FIRST TIME HOME BUYERS

- Definition: An individual is considered to be a first time home buyer if they have had no ownership interest in a residential property in the most current 3 year period.
- Permitted with no additional restrictions.

### RESIDENCY

Eligible	<ul style="list-style-type: none"><li>• U.S. Citizen</li><li>• Permanent Resident Alien</li></ul>
Ineligible	<ul style="list-style-type: none"><li>• Non-Permanent Resident Alien</li><li>• Foreign National</li><li>• Applicants possessing diplomatic immunity</li><li>• Borrowers from OFAC sanctioned countries</li><li>• Politically exposed borrowers</li><li>• Any material parties (company or individual) to transaction listed on HUD's Limited Denial or Participation (LDP) list, the federal General Services Administration (GSA) Excluded Party list or any other exclusionary list.</li></ul>

### US CITIZEN

Eligible without guideline restrictions

### PERMANENT RESIDENT ALIEN

An alien admitted to the United States as a lawful permanent resident. Lawful permanent residents are legally accorded the privilege of residing permanently in the United States.

- Acceptable evidence of permanent residency include the following:
  - Alien Registration Receipt Card I-151 (referred to as a green card).
  - Alien Registration Receipt Card I-551 (Resident Alien Card) that does not have an expiration date on the back (also known as a green card).
  - Alien Registration Receipt Card I-551 (Conditional Resident Alien Card) that has an expiration date on the back and is accompanied by a copy of the filed INS Form I-751 (petition to remove conditions).
  - Non-expired foreign passport that contains a non-expired stamp (valid for a minimum of three years) reading "Processed for I-551 Temporary Evidence of Lawful Admission for Permanent Residence. Valid until [mm-dd-yy]. Employment Authorized."
- Eligible without guideline restrictions.

## INTER VIVOS REVOCABLE TRUSTS

An inter vivos revocable trust is permitted when the trust has an ownership interest in the subject property for all transaction types. The following requirements should be followed. Not all requirements may be addressed; Fannie Mae requirements should be followed if these guides are silent.

The trust must be established by one or more natural persons, solely or jointly. The primary beneficiary of the trust must be the individual(s) establishing the trust. The trust must become effective during the lifetime of the person establishing the trust. If the trust is established jointly, there may be more than one primary beneficiary as long as the income or assets of at least one of the individuals establishing the trust will be used to qualify for the mortgage.

The trustee must include either:

- The individual establishing the trust (or at least one of the individuals, if 2 or more); or
- An institutional trustee that customarily performs trust functions in and is authorized to act as trustee under the laws of the applicable state.

The trustee must have the power to hold the title and mortgage the property. This must be specified in the trust. One or more of the parties establishing the trust must use personal income or assets to qualify for the mortgage.

The following documentation is required:

- The trust was validly created and is duly existing under applicable law,
- Attorney's Opinion Letter from the borrower's attorney or Certificate of Trust verifying all the following:
  - Clarify if the trust is revocable or irrevocable
  - The borrower is the settler of the trust and the beneficiary of the trust,
  - The trust assets may be used as collateral for a loan,
  - The trustee is:
    - Duly qualified under applicable law to serve as trustee,
    - The borrower,
    - The settler,
    - Fully authorized under the trust documents and applicable law to pledge or otherwise encumber the trust assets.

In lieu of the above, a complete copy of the trust documents certified by the borrower to be accurate, or a copy of the abstract or summary for jurisdictions that require a lender to review and rely on an abstract or summary of trust documents instead of the trust agreements can be provided. The Attorney needs to also verify that the trust has not been revoked, modified, or amended in any manner that would cause the representations to be incorrect.

## INELIGIBLE BORROWERS

- Irrevocable Trust
- Land Trust
- Blind Trust
- Life Estate Trust

## CREDIT

### CREDIT SCORE

Credit Score Selection:

- **Decision Score Definition-** Minimum of one borrower with two credit scores. Use the lower of the two credit scores or the median, if there are three credit scores.
- **Liquid 360 Program:** Use decision score amongst all borrowers/guarantors who will be on the Note and Title.

### TAX LIENS

Any outstanding tax lien must be paid prior to or at closing.

## ASSETS

### DOCUMENTATION OPTIONS

Various forms of documentation are acceptable depending on borrower asset type. Assets and reserves should be calculated and documented to Fannie Mae guidelines unless otherwise specified in Change Wholesale guidelines. Fannie Mae guidelines prevail where this guide is silent regarding sources and types of assets as well as asset types not eligible to be included.

### RESERVES

- |                   |                    |
|-------------------|--------------------|
| • $\geq 720$ FICO | 0 (zero) months    |
| • 640 - 719 FICO  | 6 (six) months     |
| • 639 - 600 FICO  | 12 (twelve) months |

Cash out proceeds cannot be applied towards the reserve requirement.

### GIFT FUNDS

Gift funds are not allowed for loans qualified on the Liquid 360 program.

## INELIGIBLE ASSETS

- Down payment assistance programs
- Grant Funds
- Builder Profits
- Employer Assistance Assets
- Cash advance on credit card
- Cash for which the source cannot be verified (cash on hand)
- Commission from sale of subject property
- Proceeds from an unsecured loan
- Salary advance
- Sweat equity (contribution to the construction or rehabilitation of a property in the form of labor or services rather than cash)
- Unverifiable source of funds
- Margined Assets listed within client accounts are not eligible as a source of funds or reserves.
- Stock options and non-vested restricted stock
- Non-vested stock
- Reverse mortgage
- Pension fund
- Seller Real Estate Tax Credit
- Foreign Assets
- IRS 1031 Tax Exchange not allowed on primary residences or second homes
- Cryptocurrency

## ASSET DOCUMENTATION

In addition to documenting the down payment, closing costs, and minimum PITIA reserve requirements, all borrowers must disclose and verify all other liquid assets. Fannie Mae guidelines prevail regarding sources and types of assets as well as assets which are not eligible for closing costs and/or reserves.

- Account Statements should cover most recent 30-day period.
- VOD should be dated within 30 days of closing date;
- Stocks/Bond/Mutual Funds -100% of stock accounts can be considered in the calculation of a assets for closing and reserves;
- Vested Retirement Account funds – 80% may be considered for closing and/or reserves;
- Non-vested or restricted stock accounts are not eligible for use as down payment or reserves.
- Large deposits do not need to be sourced on the Liquid 360 program.

Assets held in foreign accounts may not be used as a source of funds to close and to meet applicable reserve requirements. These funds must be transferred to a U.S. banking institution account in the borrower's name at least 30 days prior to closing.

## BUSINESS FUNDS

Business funds may be used for down payment, closing costs and for the purposes of calculating reserves. The borrower must be listed as an owner of the account and the account needs to be verified per requirements in this Guide.

Business funds used to qualify are calculated based on the borrower's percentage of ownership in the company. For example if a borrower owns 25% of the business then only 25% of the available balance of the account would be allowed to qualify.

## PROPERTY ELIGIBILITY

### APPRAISALS

#### **Appraisal Requirements**

Full Interior / Exterior appraisal required. Fannie Mae/Freddie Mac Forms 1004/70, 1025/72, 1073/465 or 2090 must be used. The licensed appraiser is required to perform an interior inspection when completing the appraisal report.

- The Appraisal should be dated no more than 60 days prior to the Note Date. After a 60-day period, a new appraisal report is required.
- Transferred appraisals are not permitted.

#### **Second Appraisal**

A Second Appraisal from a Change Wholesale approved AMC is required when any of the following conditions exist. When a second appraisal is provided, the transactions "Appraised Value" will be the lower of the two appraisals. The second appraisal must be from a different appraiser than the first appraisal.

- Loan amount exceeds \$2,500,000
- The transaction is a flip as defined in the Property Flipping section of this guide
- As required under the Appraisal Review Products section of this guide
- Underwriter Discretion

#### **Appraisal Review Requirements**

One appraisal review product (CCA, CDA or ARR Desk Review) is required on every appraisal required for the transaction.

If the Appraisal Review Product reflects a value more than 10% below the appraised value or cannot provide a validation, the next option in the review waterfall must be followed. The next option would be either a field review or second appraisal (if applicable), both must be from a different appraisal company and appraiser than the original appraisal. On transactions where the difference in appraised value is less than 10%, the acceptability of

the appraisal is subject to UW Management review and discretion. The final appraised value is based on the lowest reported value amongst all of the appraisal documents and reviews.

**Property – Condition Requirements – Max LTVs**

Condition	Max LTV
C1	70%
C2	70%
C3	65%
C4	60%
C5	55%
C6	Not permitted

Condition Rating	Description
C1	The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.
C2	The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.
C3	The improvements are well-maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well-maintained.
C4	The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.
C5	The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability are somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.
C6	The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

**Property – Neighborhood Characteristics & Present Land Use – Max LTVs**

Neighborhood Characteristics & Max LTV	Location	Max LTV	Built Up	Max LTV	Growth	Max LTV
	Urban	70%	Over 75%	70%	Rapid	70%
	Suburban	65%	25% - 75%	65%	Stable	65%
	Rural	60%	Under 25%	60%	Slow	60%
Present Land Use & Max LTV *Based on majority	One-Unit		70%			
	2-4 Unit		65%			
	Other		60%			
	Florida Condo		60%			



### **Minimum Square Footage**

- Single Family Residence - minimum 700 square feet
- Condominiums – minimum 500 square feet
- 2-4 units – minimum 400 square feet per individual unit

### **Declining Markets**

Properties located within a Declining Market as defined by the appraiser require a 5% reduction to the max LTV/CLTV offered.

### **Rural Property**

Rural properties are not permitted on the Liquid 360 product.

A property is classified as rural if any of the following conditions exist:

- The property is classified as rural by the appraiser
- Two of the three comparable properties are more than 5-miles from the subject property

### **Personal Property**

Any personal property transferred with a property sale must be deemed to have zero transfer value, as indicated by the sales contract and the appraisal. If any value is associated with the personal property, the sales price and appraised value must be reduced by the personal property value for purposes of calculating the LTV/CLTV/HCLTV.

### **Escrow Holdbacks**

Escrow holdbacks are not allowed. Any repair or maintenance required by the appraiser must be completed prior to loan purchase.

## **INELIGIBLE PROPERTY TYPES**

- Vacant land or land development properties
- Rural properties
- Leasehold properties
- Properties not readily accessible by roads that meet local standards
- Properties not suitable for year-round occupancy regardless of location
- Agricultural properties including farms, ranches, orchards
- Log Cabins/Homes
- Manufactured, Mobile
- Condo-hotels or co-op/timeshare hotels
- A project that includes registration services and offer rentals of units on a daily, weekly or monthly basis
- Cooperative share loans
- Boarding houses or bed/breakfast properties
- Properties with zoning violations
- Dome or geodesic homes
- Assisted living facilities
- Homes on Indian reservations, Indian Leased Land
- Hawaii properties located in lava zones 1 and/or 2
- Houseboats
- Acreage > 10 acres

- No truncating allowed
- Properties used for the cultivation, distribution, manufacture or sale of marijuana.

## PROPERTY FLIPPING

For properties purchased by the seller of the property within 6 months of the new subject purchase contract date (or option contract date) where the contract price exceeds the seller's acquisition price by the following:

- More than a 10% price increase if the seller acquired the property in the past 90 days;
- More than a 20% price increase if the seller acquired the property in the past 91-180 days

The following additional requirements apply:

- Second appraisal required from an Approved AMC
- Second appraisal must be dated prior to the loan consummation/note date;
- Property seller on the purchase contract must be the owner of record;
- Increases in value should be documented with commentary from the appraiser and recent comparable sales.
- Sufficient documentation to validate actual cost to construct or renovate (e.g., purchase contracts, plans and specifications, invoices, lien waivers, etc.).

## TITLE VESTING & OWNERSHIP

Ownership must be fee simple.

Title must be in the Borrower's name at time of application for refinance transactions and on closing date for all transactions.

Acceptable forms of vesting are:

- Individuals
- Joint tenants
- Tenants in common
- Inter Vivos Revocable Trust

Land trusts, Blind Trusts, Life Estate Trusts and IRAs are not eligible forms of vesting.

### **For Investment Properties Only - Vesting in an Entity:**

To vest a loan in an Entity, the following requirements must be met:

- Any business structure is limited to a maximum of 4 owners or members.
- The Entity must be domiciled within the United States.
- Personal Guarantees are required from the authorized signor(s) who are borrowers on the loan along with any individual with 50% or greater ownership in the entity.
- Each authorized signor and/or member with 50% or greater ownership must complete a loan application indicating clearly that such document is being provided in the capacity of guarantor. The application associated with each authorized signor and/or member with 50% or greater ownership and such person's credit score and creditworthiness will also be used to determine qualification and pricing.

- If the articles of organization or operating agreement does not state an authorized user, then all entity owners must apply as a borrower and complete a loan application as an individual applicant.
- Each Member of the Entity must receive notice of the loan and its terms prior to closing.
- If the LLC, Partnership or Corporation is not domiciled/formed within the state that the subject property is located in, a certificate of authority to do business by the entity in the subject state is required.

**Documentation required for Entity vesting:**

The following Entity documentation must be provided:

- **Limited Liability Company (LLC)**
  - Entity Articles of Organization, or Partnership, and Operating Agreement(s)
    - This must include a list of all owners along with titles and designated authorized signors
  - Certificate of Good Standing issued by the Secretary of State where the LLC was formed
  - Tax Identification Number (TIN) or Employee Identification Number (EIN) in the name of the LLC obtained directly from the IRS
  - Certificate of Authorization for the person executing all documents on behalf of the Entity
- **Corporation**
  - Filed Certificate/Articles of Incorporation (and all amendments)
  - By-Laws (and all amendments)
  - Certificate of Good Standing issued by the Secretary of State where the corporation is incorporated
  - Tax Identification Number (EIN)
  - Borrower Resolution/Corporate Resolution granting authority to signer to enter a loan obligation
- **Partnership**
  - Filed Partnership Certificate (if a general partnership, filing with the SOS may be required)
  - Partnership Agreement and all amendments
  - Certificate of Good Standing issued by the Secretary of State where the partnership is registered
  - Tax Identification Number (EIN)
  - Limited Partner consents (where required by partnership agreement)

**Documentation required for Entity vesting:**

Documents must be completed and signed as follows:

- Loan Application (URLA)
  - Completed for each Individual(s) meeting the requirements above
  - Section labelled "Title will be held in what Name(s)" should be completed with **the Entity name.**
  - Signed by Individuals meeting the requirements above
- Disclosures (Loan Estimate (LE), Notice of Intent to Proceed, Servicing Disclosure, etc.)
  - Completed and signed by Individual(s) meeting the requirements above
- Closing Disclosure (CD)
  - Completed and signed by Individual(s) meeting the requirements above
- Other Closing Documents (Final CD, Borrower Certification of Business Purpose, etc.)
  - Completed and signed by Authorized Member(s) meeting the requirements above
- Personal Guarantee
  - Completed and signed by Individual(s) meeting the requirements above
- **Borrowing Certificate**
  - **Completed and signed by Individual(s) meeting the requires above**

- Note, Deed of Trust/Mortgage, and all Riders
  - “Borrower” in form, if applicable, to be completed by the authorized member of the entity that can legally sign and bind entity

“Borrower” in form, if applicable, to be completed by the authorized member of the entity that can legally sign and bind entity

**Examples of Signature Requirements**

*[Authorized Signatory] may be replaced by other label as specified in the Member Consent (e.g. Managing Member, Member, etc.).*

**Sample 1:**

Borrower: JJ Investors, LLC and James Johnson Single Member of LLC: James Johnson

**Note, Security Instrument & all Riders:**

Signature Block

JJ INVESTORS, LLC a [ ] limited liability company

James Johnson

By: James Johnson

Title: [Authorized Signatory]

**Sample 2:**

Borrower: JJ Investors, LLC, James Johnson, and Jane Nelson 2 Members of LLC: James Johnson and Jane Nelson

Both Members are Authorized Signatories of LLC

**Note, Security Instrument & all Riders:**

Signature Block

JJ INVESTORS, LLC a [ ] limited liability company

James Johnson

By: James Johnson

Title: [Authorized Signatory]

**and**

JJ INVESTORS, LLC a [ ] limited liability company

Jane Nelson

By: Jane Nelson

Title: [Authorized Signatory]

## POWER OF ATTORNEY

Power of Attorney is not permitted on this product.

## LIMITATIONS ON FINANCED PROPERTIES

- Max 20 financed properties
- Change Wholesale's exposure to a single borrower shall not exceed \$10,000,000 in current UPB or ten (10) properties

## DISASTER AREAS

The following guidelines apply to properties located in FEMA declared disaster areas, as identified by reviewing the FEMA web site at <http://www.fema.gov/news/disasters.fema>. In addition, when there is knowledge of an adverse event occurring near and around the subject property location, such as earthquakes, floods, tornadoes, or wildfires, additional due diligence should be used to determine if the disaster guidelines should be followed.

Guidelines for disaster areas should be followed for 90-days from the disaster period end date or the date of the event, whichever is later.

### **Appraisals Completed Prior to Disaster Event**

An interior and exterior inspection of the subject property, performed by the original appraiser if possible, is required.

- The appraiser should provide a statement indicating if the subject property is free from any damage, is in the same condition from the previous inspection, and the marketability and value remain the same.
- Inspection report must include photographs of the subject property and street view.
- Any damage must be repaired and re-inspected prior to purchase

### **Appraisals Completed After Disaster Event**

- Appraiser must comment on the adverse event and certify that there has been no change in the valuation.
- Any existing damage notated from the original report must be repaired and re-inspected prior to purchase.

## CONDOMINIUMS

Fannie Mae eligible projects are allowed.

### **Ineligible Projects**

- A project subject to the rules and regulations of the U.S. Securities Exchange Commission.
- Condominium Hotel – Condotel
  - a. Condominium Project in which any unit owner or the homeowners' association is a party to a revenue-sharing agreement with either the developer or another third-party entity.
  - b. Condominium project where the unit is not the lessee's residence.

- c. Projects that are managed and operated as a hotel or motel, even though the units are individually owned.
  - d. Projects with the names that include the words “hotel,” “motel,” “resort,” or “lodge.”
  - e. A project that includes registration services and offer rentals of units on a daily, weekly or monthly basis.
  - f. Hotel or motel conversions (or conversions of other similar transient properties.)
- Resort type project
  - Timeshare or Projects that restrict the owner’s ability to occupy the unit.
  - New Condo conversion completed less than 2 years.
  - Houseboat project
  - Manufactured home projects
  - Assisted living facilities or any project where unit owners contract in advance for a lifetime commitment from the facility to care for them regardless of future health or housing needs.
  - Any project in which a single entity owns more than 25% of the total number of units. Projects that have 5-19 Units, one owner can own two units.
  - Multi-family units where single deed has ownership of more than one or all of the units.
  - Where more than 50% of total square footage in the project or in the building that the project is located in is used for non-residential purposes.
  - A Common-interest apartment or a project in which individuals have an undivided interest in a residential apartment building and land and have the right of exclusive occupancy of a specific apartment unit in the building.
    - The project or building is often owned by several owners as tenants-in-common or by a homeowners’ association.
    - Fragmented or segmented ownership
    - Ownership is limited to a specific period on a recurring basis i.e. Timeshare
  - Any project where the developer (or its affiliates) owns the Common and/or Limited Elements and leases the elements back to the HOA
  - Non-conforming zoning (cannot be rebuilt to current density).
  - Project units sold with excessive Seller contributions that may affect the value of the subject property.
  - Any project that requires Private Transfer Fees as a part of the transaction and that fee does not benefit the association
  - Project in litigation, arbitration, mediation or other dispute regarding safety, soundness or habitability.
  - Project with adverse environmental issue(s) involving safety, soundness or habitability.
  - Projects that are not well managed or in poor physical or financial condition.
    - Excessive special assessments; Low Reserves; Neglected Repairs

#### **General Project Criteria**

- Project has been created and exists in full compliance with applicable local jurisdiction, State and all other applicable laws and regulations
- Project meets all FNMA Insurance requirements for property, liability and fidelity coverage
- Confirmation the Project documents do not give a unit owner or any other party priority over the rights of the 1st mortgagee.

### **Fannie Mae Warrantable Condominium Projects**

For projects that meet Fannie Mae requirements, follow review process as required by Fannie Mae.

If the loan does not meet the following criteria for a Fannie Mae Limited Review, a FNMA Full Review is required.  
All condominium projects located in Florida require a Full Project Review.

<b>Limited Review Eligible Transactions – Attached Units in Established Condo Projects (For Projects Outside of Florida)</b>	
<b>Occupancy Type</b>	<b>Maximum LTV/CLTV and HCLTV Ratios</b>
Principal Residence	70%
Second Home	70%
Investment Property	70%

### **Non-Warrantable Condominium Projects**

Not permitted on the Liquid 360 product.

## OCCUPANCY CERTIFICATION

Borrower: \_\_\_\_\_

Co-borrower(s): \_\_\_\_\_

Property Address: \_\_\_\_\_

I/We the undersigned certify that:

☐

**Primary Residence:** I/We will occupy the property as my/our principal residence within Sixty (60) days after the date of closing as stated in the Mortgage or Deed of Trust I/we executed. I/We will continue to occupy the property as my/our principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing.

☐

**Second Home:** I/We will occupy the Property as a second home (vacation, etc.) while maintaining a principal residence elsewhere.

☐

**Investment Property:** I/We will not occupy the property as a principal residence or second home. I/We will not occupy the property for more than 14 days in any calendar year. The property is an investment to be held or rented rather than for household or personal use.

**INVESTMENT PROPERTY ONLY** (the following **must** be completed on an investment property loan):☐

I/We understand that consumer protection laws applicable to consumer loans will not apply to this loan, including the Truth in Lending Act (15 U.S.C. § 1601 *et seq.*), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 *et seq.*), Gramm-Leach Bliley Act (15 U.S.C. §§ 6802-6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 *et seq.*), and Homeowners Protection Act (12 U.S.C. § 5101 *et seq.*).

**REFINANCE ONLY** (the following **must** be completed on a refinance transaction):☐

I/We the undersigned, certify that the property referenced above is **NOT** currently listed for sale or under contract to be listed for sale.

I/We the undersigned acquired this property on \_\_\_\_\_.

**I/We understand that it is illegal to provide false information in an application for a mortgage loan. Mortgage fraud is punishable by up to thirty (30) years in federal prison or a fine of up to \$1,000,000, or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.**

I/We understand that failure to comply with the requirements in the Mortgage or Deed of Trust regarding occupancy of the property will entitle the Lender to exercise its remedies for breach of covenant under the Mortgage or Deed of Trust. Such remedies include, without limitation, requiring immediate payment in full of the remaining indebtedness under the Loan together with all other sums secured by the Mortgage or Deed of Trust, and exercise of power of sale or other applicable foreclosure remedies, to the extent permitted by the Mortgage or Deed of Trust.

Borrower \_\_\_\_\_

Date \_\_\_\_\_

Borrower \_\_\_\_\_

Date \_\_\_\_\_

Borrower \_\_\_\_\_

Date \_\_\_\_\_

Borrower \_\_\_\_\_

Date \_\_\_\_\_



## EXHIBIT B: CONDOMINIUM PROJECT QUESTIONNAIRE

## CONDOMINIUM PROJECT QUESTIONNAIRE

Project Legal Name: \_\_\_\_\_ Date: \_\_\_\_\_  
 Project Physical Address: \_\_\_\_\_ HOA Tax ID: \_\_\_\_\_  
 Unit Address: \_\_\_\_\_ Loan Number: \_\_\_\_\_  
 HOA Name: \_\_\_\_\_ Lender Name: \_\_\_\_\_  
 HOA Management Address: \_\_\_\_\_ HOA Management Co. Tax ID: \_\_\_\_\_

**PART I: BASIC PROJECT INFORMATION**

1. Please provide actual numbers and not percentages in the chart below.

Legal Phase #, Previous and Future Phases	# of Units per Phase	# of Buildings	# of Units Complete	# of Units for Sale	# of Units Sold or Under Contract	# of Owner Occupied and Second Homes*	# of Investor Units

\* If unable to provide number of second homes, provide number of off-site addresses.

2. Please provide a breakdown of the total number of units in the Project below.

# of Owner Occupied Units		# of Investor Units		# of Units Rented by Developer	
# of Second Home Units		# of Units owned by the HOA		# of Units in Entire Project	

3. Complete the following table if more than one unit is owned by the same individual or entity.

Individual / Entity Name	Developer or Sponsor (Yes or No)	# of Units Owned	Percentage Owned of Total Project Units	# Leased at Market Rent	Number Leased under Rent Control
			%		
			%		
			%		
			%		
			%		

4. Does the project have any of the characteristics listed below? ☐ Yes ☐ No **If Yes, please check all that apply:**

- ☐ Hotel/Motel/Resort Activities ☐ Any restriction on the Unit owner's ability to occupy the unit  
☐ Mandatory Rental Pool ☐ Mandatory fee-based memberships for use of project amenities/services

- ☐ Deed/Resale restrictions                      ☐ Non-incidental income from business operations  
☐ Manufactured Housing                      ☐ Supportive or continuing care for seniors or residents with disabilities

Provide additional detail here, if applicable (optional):

## **PART II: PROJECT COMPLETION INFORMATION**

5. Are all units and common elements 100% complete and not subject to any additional phasing and/or additions? ☐ Yes ☐ No  
*If yes, when was the Project completed?* \_\_\_\_\_
6. **If no**, complete lines a-f:
- a. *Is the project subject to additional phasing or annexation?* ☐ Yes ☐ No  
b. *Is the project legally phased?* ☐ Yes ☐ No  
c. *How many phases have been completed?* \_\_\_\_\_  
d. *How many total phases are legally planned for the project?* \_\_\_\_\_  
e. *How many total units are planned for the project?* \_\_\_\_\_  
f. *Are all planned amenities and common facilities fully complete?* ☐ Yes ☐ No
7. Has the developer turned over Project control to unit owners? ☐ Yes ☐ No  
*If yes, when was it turned over?* \_\_\_\_\_  
*If no, what is the anticipated date the Project will be turned over to the unit owners?* \_\_\_\_\_
8. Is the Project a conversion within the past 3 years of an existing structure that was used as an apartment, hotel/resort, retail or other professional business, industrial or for other non-residential use? ☐ Yes ☐ No  
*If yes – complete lines a-h:*
- a. *What year was the property built?* \_\_\_\_\_  
b. *What date was the conversion completed?* \_\_\_\_\_  
c. *Was the conversion a full gut rehabilitation of the existing structure(s), including replacement of all major mechanical components?* ☐ Yes ☐ No  
d. *What was the original use of the building?* \_\_\_\_\_  
e. *Does the report from the licensed engineer indicate that the project is structurally sound, and that the condition and remaining useful life of the project's major components are sufficient?* ☐ Yes ☐ No  
f. *Are all repairs affecting safety, soundness, and structural integrity complete?* ☐ Yes ☐ No  
g. *Are replacement reserves allotted for all capital improvements?* ☐ Yes ☐ No  
h. *Are the project's reserves sufficient to fund the improvements?* ☐ Yes ☐ No

## **PART III: FINANCIAL INFORMATION**

9. How many units are over 60 days delinquent on HOA dues or assessments? \_\_\_\_\_
10. In the event a unit is taken over in foreclosure or a deed-in-lieu of foreclosure, is the mortgagee responsible for paying delinquent common expense assessments? ☐ Yes ☐ No  
**If yes**, for how long is the mortgagee responsible for paying these expenses? (select one):  
☐ 1 to 6 months  
☐ 7 to 12 months  
☐ 12+ months
11. Is the HOA or developer involved in any litigation and/or arbitration, including the project being placed in receivership, bankruptcy, deed-in-lieu of foreclosure or Foreclosure? ☐ Yes ☐ No

*If yes, please describe the details and provide documentation directly from the Court(s) relating to the litigation:* \_\_\_\_\_

#### **PART IV: OWNERSHIP & OTHER INFORMATION**

12. Do the unit owners have sole ownership interest in and the right to use the project amenities and common areas? ☐ Yes ☐ No

**If No**, explain who has ownership interest in and rights to use the project amenities and common areas:

---

---

13. Are any of the units or any part of the building used for non-residential or commercial space? ☐ Yes ☐ No  
**If Yes**, complete the following table:

Type of Commercial or Non-Residential Use	Name of Owner or Tenant	# of Units	Square Footage	% Square Footage of Total Project Square Footage
				%
				%
				%

14. What is the total square footage of commercial space in the building that is separate from the residential HOA? Include above and below grade space used for commercial purposes, such as public parking facilities, retail space, apartments, commercial offices and so on:

Total square footage of commercial space: \_\_\_\_\_

#### **PART V: INSURANCE INFORMATION & FINANCIAL CONTROLS**

15. Are units or common elements located in a flood zone? ☐ Yes ☐ No

**If Yes**, flood coverage is in force equaling (select one):

- ☐ 100% replacement cost  
☐ Maximum coverage per condominium available under the National Flood Insurance Program  
☐ Some other amount (enter amount here): \$ \_\_\_\_\_

16. Check all of the following that apply regarding HOA financial accounts:

- ☐ HOA maintains separate accounts for operating and reserve funds.  
☐ Appropriate access controls are in place for each account.  
☐ The bank sends copies of monthly bank statements directly to the HOA.  
☐ Two members of the HOA Board of Directors are required to sign any check written on the reserve account.  
☐ The Management Company maintains separate records and bank accounts for each HOA that uses its services.  
☐ The Management Company does not have the authority to draw checks on, or transfer funds from, the reserve account of the HOA.

17. Supply the information requested below. Do NOT enter "contact agent."

Type of Insurance	Carrier/Agent Name	Phone Number	Policy Number
Hazard			
Liability			
Fidelity			
Flood			

**PART VI: BUILDING SAFETY, SOUNDNESS, STRUCTURAL INTEGRITY, AND HABITABILITY**

18. When was the last building inspection by a licensed architect, licensed engineer, or any other building inspector? \_\_\_\_\_

19. Did the last inspection have any findings related to the safety, soundness, structural integrity, or habitability of the project's building(s)? ☐ Yes ☐ No

19a. **If Yes**, have recommended repairs/replacements been completed? ☐ Yes ☐ No

If the repairs/replacements have not been completed:

19b. What repairs/replacements remain to be completed?

\_\_\_\_\_

19c. When will the repairs/replacements be completed? \_\_\_\_\_

*Provide a copy of the inspection and HOA board meeting minutes to document findings and action plan.*

20. Is the HOA aware of any deficiencies related to the safety, soundness, structural integrity, or habitability of the projects building(s)? ☐ Yes ☐ No

20a. **If Yes**, what are the deficiencies?

\_\_\_\_\_

20b. Of these deficiencies, what repairs/replacements remain to be complete?

\_\_\_\_\_

20c. Of these deficiencies, when will the repairs/replacements be completed? \_\_\_\_\_

21. Are there any outstanding violations of jurisdictional requirements (zoning ordinances, codes, etc.) related to the safety, soundness, structural integrity, or habitability of the project's building(s)? ☐ Yes ☐ No

**If Yes**, provide notice from the applicable jurisdictional entity.

22. Is it anticipated the project will, in the future, have such violation(s)? ☐ Yes ☐ No

**If Yes**, provide details of the applicable jurisdiction's requirement and the projects plan to remediate the violation.

\_\_\_\_\_

23. Does the project have a funding plan for its deferred maintenance components/items to be repaired or replaced? ☐ Yes ☐ No

24. Does the project have a schedule for the deferred maintenance components/items to be repaired or replaced? ☐ Yes ☐ No

*If Yes, provide the schedule.*

25. Has the HOA had a reserve study completed on the project within the past three (3) years? ☐ Yes ☐ No
26. What is the total of the current reserve accounts balance? \_\_\_\_\_
27. Are there any current special assessments unit owners are obligated to pay? **If Yes:** ☐ Yes ☐ No
- 26a. What is the total amount of the special assessment(s): \$ \_\_\_\_\_
- 26b. What are the terms of the special assessments(s)? \_\_\_\_\_
- \_\_\_\_\_
- 26c. What is the purpose of the special assessment(s)? \_\_\_\_\_
- \_\_\_\_\_
28. Are there planned special assessments unit owners are obligated to pay? **If Yes:** ☐ Yes ☐ No
- 26a. What will be the total amount of the special assessment(s): \$ \_\_\_\_\_
- 26b. What will be the terms of the special assessments(s)? \_\_\_\_\_
- \_\_\_\_\_
- 26c. What will be the purpose of the special assessment(s)? \_\_\_\_\_
- \_\_\_\_\_
29. Has the HOA obtained any loans to finance improvements or deferred maintenance? ☐ Yes ☐ No
- 28a. Amount borrowed? \$ \_\_\_\_\_
- 28b. Terms of repayment? \_\_\_\_\_

#### **PART VI: PREPARER INFORMATION**

Preparer Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Title: \_\_\_\_\_ Email: \_\_\_\_\_

Preparer's Company Name: \_\_\_\_\_

Preparer's Company Address: \_\_\_\_\_

When completed by HOA representative, this form will be utilized to help determine financing eligibility of a unit within the Project. Completion of this form does not create legal liability on the part of the preparer.

The undersigned hereby certifies that the above information is true and correct to the best of the preparer's knowledge and is presented on behalf of the Homeowners Association for the Project listed.

Signature of HOA Representative: \_\_\_\_\_ Date: \_\_\_\_\_

#### **PART VII: REQUIRED DOCUMENTATION**

##### ***New Projects:***

- ☐ Fannie Mae Application for Project Approval (Form 1026) Project Certification, Change Wholesale Condominium questionnaire, or similar.
- ☐ FNMA Warranty of Project Presale signed by developer/builder as authorized representative (Form 1029).
- ☐ FNMA Warranty of Condominium Project Legal Documents (Form 1054) or comparable lender's warranty.

- ☐ FNMA Final Certification of Substantial Project Completion completed by developer. (Form 1081).
- ☐ Current Annual Budget.
- ☐ Current Balance Sheet (dated within the last 60 days).
- ☐ Evidence of current HOA/Project Insurance in compliance with FNMA guidelines.
- ☐ Project legal documents: Declarations, By-Laws, and any Amendments.
- ☐ Schedule of outstanding loan information.
- ☐ Letter from construction lender stating financing is in good standing.
- ☐ Evidence there are no contractor liens outstanding.
- ☐ Project Marketing Analysis: sales and marketing plan.
- ☐ Photos of subject property and two comparable projects including site, improvements, facilities/amenities, and parking.
- ☐ PERS Preliminary Approval, if applicable.

***Established Projects:***

- ☐ Fannie Mae Application for Project Approval (Form 1026) Project Certification, Change Wholesale Condominium questionnaire, or similar.
- ☐ Established Project Certification.
- ☐ Current Annual Budget.
- ☐ Current Balance Sheet (dated with the last 60 days).
- ☐ Evidence of current HOA/Project Insurance in compliance with FNMA guidelines.

***Re-Certification of Projects:***

- ☐ Fannie Mae Application for Project Approval (Form 1026) Project Certification, Change Wholesale Condominium questionnaire, or similar.
- ☐ Project Approval Certification Form.
- ☐ Current Annual Budget.
- ☐ Current Balance Sheet (dated with the last 60 days).
- ☐ Evidence of current HOA/Project Insurance in compliance with FNMA guidelines.
- ☐ Any amendments, supplements, etc. to Project legal documents.

## EXHIBIT C: DEVELOPER/BUILDER QUESTIONNAIRE

## DEVELOPER/BUILDER QUESTIONNAIRE

Project Name: \_\_\_\_\_

Legal Address: \_\_\_\_\_

—

Developer Company Name: \_\_\_\_\_ President/Owner: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Website: \_\_\_\_\_ Email: \_\_\_\_\_

Builder Name: \_\_\_\_\_ President/Owner: \_\_\_\_\_

Address: \_\_\_\_\_ Phone: \_\_\_\_\_

Website: \_\_\_\_\_ Email: \_\_\_\_\_

Broker/Marketing Co. Name: \_\_\_\_\_ Sales Manager: \_\_\_\_\_

1. Is the marketing firm affiliated with the developer/builder? *If yes describe the relationship.* ☐ Yes ☐ No2. Are sales or financing concessions offered as part of the marketing of units? *If yes, what concessions are being offered? Please provide sales and marketing plan.* ☐ Yes ☐ No

## BUILDER/DEVELOPER CONSTRUCTION EXPERIENCE

3. Number of condo projects: \_\_\_\_\_

4. Number of units: \_\_\_\_\_

5. Unit types: \_\_\_\_\_

6. Does the developer have previous experience with conversion projects? ☐ Yes ☐ No

7. Number of units currently being rented by Builder/Developer: \_\_\_\_\_

8. Number of units currently being renovated/converted into condominiums: \_\_\_\_\_

9. What is the anticipated completion date of the units being renovated/converted? \_\_\_\_\_

## PROJECTS COMPLETED

Project Name	Location	# of Units	Year Completed

## BUILDER/DEVELOPER PRE-SALE CERTIFICATION

Status	Subject Phase	Completed Phases	Future Phases	TOTAL Project
# of units closed to borrower other than Builder/Developer				
# of units under contract/signed Purchase Agreement				
# of units under construction				
# of units available for sale				
# of units owned or intended as owner occupied				
# of units owned or intended as rental units				
# of units currently rented by Builder/Developer				
Total # of units				

10. Does the builder/developer plan to retain ownership of any units, common elements, or other Project facilities Other than during initial marketing period? *If yes, please provide an explanation of what is being retained and the reason:* ☐ Yes ☐ No

11. Are there any mechanic's liens, complaints or litigation filed against the property? *If yes, please provide an explanation and any supporting documentation:* ☐ Yes ☐ No

#### DEVELOPER/BUILDER REQUIRED DOCUMENTATION

- ☐ Current reserve study (within three years), or equivalent, evidencing current condition of the Project elements, what work is needed, remaining life, and estimate of cost to replace.
- ☐ FNMA Form 1081 Final Certification of Substantial Project Completion or Project Occupancy Certification.
- ☐ Rent roll/absorption.
- ☐ Schedule of outstanding loans.
- ☐ Letter from construction lender stating financing is in good standing or statement from Builder/Developer indicating no financing exists.
- ☐ Evidence of available fund to complete the Project, e.g., certificate, letter of credit, or verification of liquid assets.
- ☐ Project Marketing Analysis: Sales and Marketing Plan.
- ☐ Project status letter detailing what is being completed/improved, cost estimate, and estimated date of completion.

#### CERTIFICATION

**Builder/Developer has completed the information above, including the occupancy grid (or has attached a list documenting same in excel format), and attests to its accuracy.**

\_\_\_\_\_  
Builder/Developer Name (please print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Builder/Developer Signature

\_\_\_\_\_  
Date

Title 18 U.S.C. 1014, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any matter in the jurisdiction of any department or agency of the United States, shall be fined not more than \$1,000,000 or imprisoned for not more than 30 years or both. In addition, violation of this or others may result in debarment and civil liability for damages suffered by the Department.



**LIMITED LIABILITY COMPANY BORROWING CERTIFICATE**

**TO: [LENDER LEGAL NAME]**

The undersigned, being the sole member of [\_\_\_\_\_, a limited liability company] ("**Borrower**"), does hereby certify that it is the sole and only member of Borrower and, under the Borrower's [Operating Agreement][Limited Liability Company Agreement] and by these presents, the undersigned is authorized and empowered for and on behalf of and in the name of Borrower and without any requirement for consent or approval by any other person or party, as Borrower's act and deed:

1. To borrow money from [LENDER LEGAL NAME] ("**Lender**") and to assume any liabilities of any other person or entity to Lender, in such form and on such terms and conditions as shall be agreed upon by those authorized above and Lender, and to sign and deliver such promissory notes and other evidences of indebtedness for money borrowed or advanced and/or for indebtedness assumed as Lender shall require; such promissory notes or other evidences of indebtedness may provide that advances be requested by telephone communication and by any member, manager, employee or agent of Borrower so long as the advances are deposited into any deposit account of Borrower with Lender; Borrower shall be bound to Lender by and Lender may rely upon any communication or act, including telephone communications, purporting to be done by any member, manager, employee or agent of Borrower provided that Lender believes, in good faith, that the same is done by such person.
2. To mortgage, encumber, pledge, convey, grant, assign or otherwise transfer all or any part of Borrower's real or personal property for the purpose of securing the payment of any of the promissory notes, contracts, instruments and other evidences of indebtedness authorized hereby, and to execute and deliver to Lender such deeds of trust, mortgages, pledge agreements and/or other security agreements as Lender shall require.
3. To perform all acts and execute and deliver all documents described above and all other contracts and instruments which Lender deems necessary or convenient to accomplish the purposes of this certificate and/or to perfect or continue the rights, remedies and security interests to be given to Lender, including, without limitation, any modifications, renewals and/or extensions of any of Borrower's obligations to Lender, however evidenced; provided that the aggregate principal amount of all sums borrowed and credits established pursuant to this certificate shall not at any time exceed the sum of [\$ ] outstanding and unpaid.

The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified. The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Lender and shall continue in full force and effect until Lender shall have received notice in writing from Borrower of the revocation hereof, and such revocation shall be effective only as to credit which was not extended or committed to Borrower by Lender prior to Lender's receipt of such notice.

The undersigned further certifies that the activities covered by the foregoing certifications constitute duly authorized activities of Borrower; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Borrower is organized and/or which governs Borrower's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the same are in conformity with the provisions of all such documents.

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate as of [\_\_\_\_\_, 20 ].

**[INSERT SIGNATURE BLOCK FOR SOLE MEMBER]**

EXHIBIT E: LLC BORROWING CERTIFICATE – MULTIPLE MEMBER

**LIMITED LIABILITY COMPANY BORROWING CERTIFICATE**

**TO: [LENDER LEGAL NAME]**

The undersigned, being all of the members of [\_\_\_\_\_, a \_\_\_\_ limited liability company] ("Borrower"), do hereby certify that they are, respectively, all of the managers and members of Borrower and, under the Borrower's [Operating Agreement][Limited Liability Company Agreement] and by these presents, the undersigned are each authorized and empowered for and on behalf of and in the name of Borrower and without any requirement for consent or approval by any other person or party, as Borrower's act and deed:

1. To borrow money from [LENDER LEGAL NAME] ("Lender") and to assume any liabilities of any other person or entity to Lender, in such form and on such terms and conditions as shall be agreed upon by those authorized above and Lender, and to sign and deliver such promissory notes and other evidences of indebtedness for money borrowed or advanced and/or for indebtedness assumed as Lender shall require; such promissory notes or other evidences of indebtedness may provide that advances be requested by telephone communication and by any member, manager, employee or agent of Borrower so long as the advances are deposited into any deposit account of Borrower with [LENDER LEGAL NAME] Lender; Borrower shall be bound to Lender by and Lender may rely upon any communication or act, including telephone communications, purporting to be done by any member, manager, employee or agent of Borrower provided that Lender believes, in good faith, that the same is done by such person.
2. To mortgage, encumber, pledge, convey, grant, assign or otherwise transfer all or any part of Borrower's real or personal property for the purpose of securing the payment of any of the promissory notes, contracts, instruments and other evidences of indebtedness authorized hereby, and to execute and deliver to Lender such deeds of trust, mortgages, pledge agreements and/or other security agreements as Lender shall require.
3. To perform all acts and execute and deliver all documents described above and all other contracts and instruments which Lender deems necessary or convenient to accomplish the purposes of this certificate and/or to perfect or continue the rights, remedies and security interests to be given to Lender, including, without limitation, any modifications, renewals and/or extensions of any of Borrower's obligations to Lender, however evidenced; provided that the aggregate principal amount of all sums borrowed and credits established pursuant to this certificate shall not at any time exceed the sum of [\$ \_\_\_\_\_] outstanding and unpaid.

The authority hereby conferred shall be deemed retroactive, and any and all acts authorized herein which were performed prior to the execution of this certificate are hereby approved and ratified. The authority hereby conferred is in addition to that conferred by any other certificate heretofore or hereafter delivered to Lender and shall continue in full force and effect until Lender shall have received notice in writing from Borrower of the revocation hereof, and such revocation shall be effective only as to credit which was not extended or committed to Borrower by Lender prior to Lender's receipt of such notice.

We further certify that the activities covered by the foregoing certifications constitute duly authorized activities of Borrower; that said certifications are now in full force and effect; and that there is no provision in any document pursuant to which Borrower is organized and/or which governs Borrower's continued existence limiting the power of the undersigned to make the certifications set forth herein, and that the same are in conformity with the provisions of all such documents.

IN WITNESS WHEREOF, the undersigned has hereunto executed this Certificate as of [\_\_\_\_\_, 20\_\_].

[INSERT SIGNATURE BLOCKS FOR MEMBERS AND ALL MANAGERS]

## EXHIBIT F: BORROWER CONTACT CONSENT FORM

### BORROWER CONTACT CONSENT FORM

To insure we have the correct contact information for servicing your loan, please provide the following information.

By signing I authorize my mortgage servicer (its transfers and/or assigns) to contact me regarding the servicing of my loan using the following contact information.

**Mailing address for your mortgage statements and other correspondence:**

- ☐ Same as the subject property  
☐ Please use this mailing address instead:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Cell phone number:**

- ☐ I choose not to provide a cell phone number.

I understand that by providing a cell phone number and by signing this form, I am giving the holder of my mortgage Note and its billing servicer permission to use the cell phone number to contact me regarding my loan.

Borrower: \_\_\_\_\_

Co-Borrower: \_\_\_\_\_

**Email address:**

- ☐ I choose not to provide an email address.

I understand that by providing an email address, I am giving the holder of my mortgage Note and its billing servicer permission to use this email to contact me regarding my loan.

Borrower: \_\_\_\_\_ @ \_\_\_\_\_

Co-Borrower: \_\_\_\_\_ @ \_\_\_\_\_

**Signature(s)**

Borrower: \_\_\_\_\_ Date \_\_\_\_\_

Co-Borrower: \_\_\_\_\_ Date \_\_\_\_\_

**CONDOMINIUM PROJECT WARRANTY CERTIFICATION**

<b>Project Name:</b>	
<b>Project Address:</b>	
<b>Phase:</b>	
<b>Borrower Name:</b>	
<b>Subject Address:</b>	
<b>Lender Name:</b>	
<b>Loan Number:</b>	

This certification represents and warrants that the above condominium project meets all eligibility requirements for sale as required by Fannie Mae.

The Lender representative certifies that they have completed a Full Condo Project review as outlined in the Fannie Mae guidelines section B4-2.2-02 Full Review including review of all required documentation for the project type.

Project Type:   ☐ Established                      ☐ New                      ☐ 2-4 unit

Project Documents reviewed include:

- ☐ Condo Questionnaire
- ☐ Current Annual HOA/Project Budget
- ☐ Current Balance Sheet
- ☐ Evidence of Project Insurance
- ☐ Project Legal Documents as required by Project Type

**Lender certifies that it has retained all supporting documentation used to complete the review for this Warranty Certification. The Lender Representative certifies that all appropriate documentation has been examined and that the Representative and Lender warrant that the Project meets all requirements set forth in the Fannie Mae guidelines for a Full Review.**

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Signature of Lender Representative Certifying Project

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Name of Lender Representative (please print)

---

Title of Lender Representative

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Date of Certification

EXHIBIT H: BORROWER CERTIFICATION OF BUSINESS PURPOSE

**BORROWER CERTIFICATION OF BUSINESS PURPOSE**

Date:

Borrower(s) Name:

Borrower(s) Address:

Loan No:

Property Address:

Borrower or its members ("Borrower") hereby warrants and represents that they wish to continue with the loan application, that the loan is for commercial purposes and not consumer purposes, and that the loan proceeds are intended to be used and shall be used for commercial purposes only, not for personal, family or household purposes. Borrower also represents that none of the properties securing the loan is currently occupied by Borrower as their primary residence or vacation home, but instead all properties are leased or intended to be leased or occupied by an entity or person other than Borrower, and that Borrower shall not occupy or reside in any of the properties during the term of the loan.

Borrower's purpose in applying for the loan is to use the proceeds of the loan for:

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Because the loan would be made exclusively for commercial purposes as noted immediately above, laws applicable to consumer purpose loans, such as the following laws, are not applicable to the loan: Truth in Lending Act (15 U.S.C. § 1601 *et seq.*), Real Estate Settlement Procedures Act (12 U.S.C. § 2601 *et seq.*), Gramm-Leach Bliley Act (15 U.S.C. §§ 6802–6809), Secure and Fair Enforcement Mortgage Licensing Act (12 U.S.C. § 5101 *et seq.*), and Homeowners Protection Act (12 U.S.C. § 4901 *et seq.*).

By signing below Borrower hereby confirms that they have read and understand the Borrower Certification of Business Purpose, that the information provided in connection with obtaining the loan is complete and accurate as of the date above, and that the Properties are non-owner occupied investment properties.

Borrower(s):

---

Signature Date

---

Print Name

---

Signature Date

---

Print Name

---

Signature Date

---

Print Name

---

Signature Date

---

Print Name

## EXHIBIT I: PERSONAL GUARANTY AGREEMENT

### GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Agreement") dated this [DATE] day of [\_\_\_\_\_, 201\_\_\_\_] made by [NAME OF GUARANTOR], having a mailing address of [ADDRESS], ("Guarantor"), for the benefit of [LENDER], a [STATE] [TYPE OF ENTITY], having a mailing address of [ADDRESS] ("Lender").

#### Background

WHEREAS, [BORROWER] ("Borrower") and Lender have executed a certain Loan Agreement of even date herewith (the "Loan Agreement") pursuant to the terms of which Lender is lending to Borrower the sum of [AMOUNT IN WORDS] and 00/100 [\$ NUMERICAL AMOUNT] (the "Loan"). The Loan is evidenced by Borrower's Promissory Note of even date herewith (the "Note") executed by Borrower and made payable to the order of Lender and secured by, inter alia, that certain Security Instrument (the "Security Instrument"), executed by Borrower in favor of Lender, and encumbering certain real property and any improvements thereon

WHEREAS, as a condition of making the Loan, Lender is requiring this Agreement to be executed, and the making of the Loan to Borrower by Lender is of material benefit to Guarantor. In order to induce Lender to make the Loan evidenced by the Note for the benefit of Borrower, Guarantor is willing to guarantee and become surety for the performance by Borrower of its obligations under the Loan Documents, as more particularly described herein. This Agreement, the Loan Agreement, the Note the Security Instrument, and any other document executed and delivered in connection with the Loan (as same from time to time may be amended, restated, and extended) are sometimes individually referred to herein as a "Loan Document" or collectively as the "Loan Documents").

CAPITALIZED TERMS WHICH ARE NOT OTHERWISE DEFINED IN THIS AGREEMENT SHALL HAVE THE SAME MEANING AS SET FORTH IN THE LOAN AGREEMENT.

#### Agreement

NOW, THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Guarantor hereby agrees as follows:

1. Guarantor hereby irrevocably, unconditional and absolutely guarantees to Lender and becomes surety for (a) the prompt payment of the principal sum due to Lender from Borrower under the Note at any time and from time to time, together with all interest thereon, (b) the prompt payment of all other sums due to Lender under the terms of the Note and the other Loan Documents and (c) the prompt and complete compliance with and performance by Borrower of all representations, warranties, covenants, agreements and other obligations to Lender under the terms of any and all of the Loan Documents (the payment, compliance and performance obligations hereinabove guaranteed by Guarantor are hereafter collectively referred to as the "Guaranteed Obligations").
2. This Agreement is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Agreement shall remain in full force and effect until all of the Guaranteed Obligations are fully, finally, and irrevocably paid, complied with and performed, and shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by Lender (or compliance with, or performance of, the Guaranteed Obligations is rescinded) upon the insolvency, bankruptcy, or reorganization of Borrower or otherwise, all as though such payment, compliance or performance had not been made or tendered. This

Agreement may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after (if Guarantor is a natural person) Guarantor's death (in which event this Agreement shall be binding upon Guarantor's estate and Guarantor's legal representatives and heirs). The fact that at any time or from time to time the Guaranteed Obligations may be increased or reduced shall not release or discharge the obligation of Guarantor to Lender with respect to the Guaranteed Obligations. This Agreement may be enforced by Lender and any subsequent holder of the Note and shall not be discharged by the assignment or negotiation of all or part of the Note. Guarantor shall be liable for all of the Guaranteed Obligations.

3. If an Event of Default occurs under any of the Loan Documents and continues beyond any applicable notice and grace periods set forth therein, Guarantor shall immediately pay, comply with, and perform such of the Guaranteed Obligations as Lender shall direct, irrespective of whether the Guaranteed Obligations directed by Lender to be paid, complied with and performed by Guarantor are those which give rise to the Event of Default.
4. If an Event of Default occurs under any of the Loan Documents and continues beyond any applicable notice and grace period set forth therein, Lender shall have the right to require Guarantor to pay, comply with and perform the Guaranteed Obligations and shall have the right to proceed immediately against Guarantor for such payment, compliance and performance without being required to make any demand upon or bring any proceeding or take any other action of any kind against Borrower, any guarantor under any other guaranty, or any other person or entity in connection with any of the Loan Documents, or resort to or seek to realize upon the security held by Lender, as a condition precedent to bringing an action upon this Agreement against Guarantor, the liability of Guarantor hereunder being a primary obligation of Guarantor and independent of and separate from the liability of Borrower. This Agreement shall be deemed an agreement of suretyship.
5. If an Event of Default occurs under any of the Loan Documents and continues beyond any applicable notice and grace periods set forth therein, Lender may, and is hereby authorized at any time and from time to time, without notice to Guarantor (any such notice being expressly waived by Guarantor and to the fullest extent permitted by law, to set off and apply any and all deposits, general or special, time or demand, provisional or final, at any time held and other indebtedness at any time owing by Lender to or for the credit or the account of Guarantor, against any and all obligations of Guarantor now or hereafter existing under this Agreement, irrespective of whether or not Lender shall have made any demand under this Agreement and although such obligations may be contingent or un-matured. Lender agrees to notify Guarantor after such setoff and application made by Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application.
6. Until all of the Guaranteed Obligations are completely fulfilled to the satisfaction of Lender and each and every one of the terms, covenants, and conditions of this Agreement are fully performed, the liability of Guarantor under this Agreement shall in no way be released or affected by:
  - a. any act or circumstance which might, but for this paragraph, be deemed a legal or equitable discharge of any guarantor or surety, or
  - b. reason of the alteration, extension, modification, endorsement, release or waiver of any Loan Document or any of the terms, covenants and conditions contained in any Loan Document, or
  - c. reason of any waiver, extension, modification, forbearance or delay or other act or omission of Lender or its failure to proceed promptly or otherwise with respect to the Guaranteed Obligations or this Agreement, or
  - d. the commencement, existence or completion of any proceeding against Borrower or otherwise related to the collection and enforcement of the Guaranteed Obligations, or
  - e. reason of any action taken or omitted or circumstance which might vary the risk or affect the rights or remedies of Guarantor with respect to the Guaranteed Obligations or this Agreement. Guarantor hereby

expressly waives and surrenders any defenses to its liability hereunder based upon any of the foregoing acts, omissions, agreements, or waivers of Lender, it being the purpose and intent of the parties hereto that the obligations of Guarantor hereunder are absolute and unconditional.

7. Guarantor hereby irrevocably waives any notice of any compromise, forbearance, indulgence, amendment, modification, endorsement, extension, or renewal of any of the Guaranteed Obligations or any of the terms, covenants or conditions of any of the Loan Documents. Guarantor further irrevocably waives notice of (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Agreement, (iii) the execution and delivery by Borrower and Lender of any other loan or credit agreement or of Borrower's execution and delivery of any promissory notes or other documents arising under the Loan Documents or in connection with the Mortgaged Property, (iv) the occurrence of any breach by Borrower or an Event of Default, (v) Lender's transfer or disposition of the Guaranteed Obligations, or any part thereof, (vi) sale or foreclosure (or posting or advertising for sale or foreclosure) of any collateral for the Guaranteed Obligations, (vii) protest, proof of non-payment or default by Borrower, (viii) the release of all, or any portion, of the collateral for the Loan, and (ix) any other action at any time take or omitted by Lender and, generally, all demands and notices of every kind in connection with this Agreement, the Loan Documents, any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and the obligations hereby guaranteed.
8. Guarantor consents to all of the terms, covenants, and conditions of all of the other Loan Documents (all of which are hereby incorporated herein) and any other document governing or relating to any of the Guaranteed Obligations. Guarantor represents and warrants that:
  - a. Guarantor has full power, authority and legal right to execute, deliver and comply with this Agreement, all actions of Guarantor and other authorizations necessary or appropriate for the execution and delivery of and compliance with this Agreement have been taken or obtained and this Agreement constitutes the valid and legally binding obligation of Guarantor enforceable against Guarantor in accordance with its terms. If the Guarantor is not a natural person, Guarantor is duly organized, validly existing and in good standing under the laws of Guarantor's state of organization and is duly qualified, authorized to do business and in good standing in every other jurisdiction in which it must be qualified.
  - b. No consent, approval, or other authorization of or by any court, administrative agency, or other governmental authority is required in connection with Guarantor's execution and delivery of or compliance with this Agreement.
  - c. The execution and delivery of and compliance with this Agreement by Guarantor will not conflict with or result in a breach of any applicable law, judgment, order, writ, injunction, decree, rule or regulation of any court, administrative agency or other governmental authority, or of any agreement or other document or instrument to which Guarantor is a party, or by which Guarantor or any of Guarantor's property is bound, and such action by Guarantor will not result in the creation or imposition of any lien, charge or encumbrance upon any property of Guarantor in favor of anyone other than Lender. If the Guarantor is not a natural person, the making and performance of this Agreement will not violate Guarantors Organizational Documents.]
  - d. There is no action, suit or proceeding pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor before or by any court, administrative agency or other governmental authority, or which brings into question the validity of the transactions contemplated hereby.
  - e. Guarantor has not applied or consented to the appointment of a receiver, trustee, or liquidator of itself or any of Guarantor's property, has not admitted in writing Guarantor's inability to pay debts as they mature, has not made a general assignment for the benefit of creditors, been adjudicated a bankrupt, or insolvent or filed a voluntary petition in bankruptcy, nor has a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy,



reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law, and no action has been taken by Guarantor for the purpose of effecting any of the foregoing. No order, judgment or decree has been entered by any court of competent jurisdiction approving a petition seeking reorganization of Guarantor or all or a substantial part of the assets of Guarantor, or appointing a receiver, sequestrator, trustee, or liquidator of any of Guarantor's property.

- f. Guarantor has received and read all of the Loan Documents and the Loan is and will be of direct interest, benefit, and advantage to Guarantor.
  - g. All other representations and warranties relating to Guarantor contained in the Loan Documents are true and correct.
9. Guarantor further represents and warrants that Guarantor's financial statements (the "Financial Statements") heretofore delivered to Lender are true and correct in all material respects, have been prepared in accordance with GAAP, and fairly represent the financial conditions as of the date thereof and for the periods shown therein; that no Material Adverse Change has thereafter occurred in the financial conditions reflected therein; and that the assets shown on the Financial Statements are wholly owned by Guarantor, and are not jointly owned with any other person or entity except as otherwise stated in the Financial Statements. Guarantor covenants and agrees (a) that Guarantor shall notify Lender promptly of any Material Adverse Change; (b) that Guarantor shall deliver to Lender such financial documentation as set forth in the Loan Agreement; (c) that Guarantor shall deliver to Lender such other financial information as Lender from time to time reasonably may request; (e) that Guarantor shall maintain complete and accurate books and records and make them available for inspection by Lender as Lender may reasonably request; and (f) that Guarantor will perform and observe all of the other terms, covenants and agreements set forth in the Loan Documents that are required to be performed or observed by Guarantor as a "Guarantor", "Borrower Party" or otherwise.
10. Guarantor shall indemnify and hold Lender and the other Indemnified Parties harmless from and against any and all claims, demands, losses, judgments, liabilities, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) which Lender or the other Indemnified Parties may incur arising out of or resulting from any default of Borrower under the Loan Documents, or enforcement or exercise of any right or remedy granted to the Lender under the Loan Documents.
11. Except as otherwise provided in this Agreement or in any of the other Loan Documents, Guarantor hereby consents and agrees to each of the following and agrees that Guarantor's obligations under this Agreement shall not be released, diminished, impaired, reduced or adversely affected by any suretyship defense and/or any of the following and waives any and all common law, equitable, statutory or other rights (including without limitation rights to notice) which Guarantor might otherwise have as a result of or in connection with any of the following:
- a. any notice of Lender's intention to act in reliance on this Agreement or in reliance hereon;
  - b. demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notices of any kind, or the lack of any thereof, including without limiting the generality of the foregoing, notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Lender, any endorser or creditor of either Guarantor or any other person whomever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Lender;
  - c. the commencement or prosecution of any enforcement, proceeding, including any proceeding in any court, against Borrower or any other person or entity with respect to any obligations arising out of the Loan Documents;

- d. any right to require Lender to proceed against any other person or to proceed against or exhaust any security held by Lender at any time or to pursue any other remedy in Lender's power or under any other agreement before proceeding against Guarantor hereunder;
  - e. any defense that may arise by reason of the incapacity, lack of authority, death or disability of any other person or persons or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy or any other proceeding) of any other person or persons;
  - f. any defense based upon an election of remedies by Lender;
  - g. any right or claim of right to cause a marshaling of the assets of Borrower or any Guarantor;
  - h. any principle or provision of law, statutory or otherwise, which is or might be in conflict with the terms and provisions of this Agreement;
  - i. any duty on the part of Lender to disclose to Guarantor any facts Lender may now or hereafter know about the Mortgaged Property, regardless of whether Lender has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, if being understood and agreed that Guarantor is fully responsible for being and keeping informed of the condition of the Mortgaged Property and of any and all circumstances bearing on the risk that liability may be incurred by Guarantor hereunder;
  - j. any lack of notice of disposition or of manner of disposition of any collateral for the Loan;
  - k. any invalidity, irregularity or unenforceability, in whole or in part, of any one or more of the Loan Documents;
  - l. any lack of commercial reasonableness in dealing with the collateral for the Loan;
  - m. any deficiencies in the collateral for the Loan or any deficiency in the ability of Lender to collect or to obtain performance from any persons or entities now or hereafter liable for the payment and performance of any obligation hereby guaranteed;
  - n. any assertion or claim that the automatic stay provided by 11 U.S.C. §362 (arising upon the voluntary or involuntary bankruptcy proceeding of Borrower) or any other stay provided under any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, shall operate or be interpreted to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any of its rights, whether now or hereafter required, which Lender may have against Guarantor, if any, or the collateral for the Loan; and
  - o. any modifications of the Loan Documents or any obligation of Borrower relating to the Loan by operation of law or by action of any court, whether pursuant to Title 11 of the United States Code, as amended, or any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, or otherwise.
12. Nothing herein contained is intended or shall be construed to give Guarantor any right of subrogation in or under any of the Loan Documents or any right to participate in any way therein, notwithstanding any payments made by the undersigned under this Agreement, any and all such rights of subrogation and participation being hereby expressly, unconditionally and irrevocably waived and released until the Guaranteed Obligations are fully paid to Lender and satisfied. Guarantor hereby further unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for payment of any or all of the Guaranteed Obligation for any payment made by Guarantor under or in connection with this Agreement or otherwise.
13. This Agreement shall be a continuing, absolute, and unconditional guarantee regardless of the validity, regularity, enforceability, or legality of (a) any of the Guaranteed Obligations, (b) any collateral securing the

Guaranteed Obligations, or (c) any term of any document evidencing or relating to any of the Guaranteed Obligations including the Loan Documents. In the event that for any reason one or more of the provisions of this Agreement or their application to any person or circumstance shall be held to be invalid, illegal, or unenforceable in any respect or to any extent, such provisions shall nevertheless remain valid, legal, and enforceable in any such other respects and to such extent as may be permissible. In addition, any such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

14. Any notice or communication required or permitted under this Guaranty must be made in writing and sent by (a) personal delivery, (b) expedited delivery service with proof of delivery, or (c) United States Mail, postage prepaid, registered or certified mail, addressed to such address as Lender or Guarantor may designate in writing and deliver in accordance with this section. Any change of address will be effective on the 2<sup>nd</sup> Business Day after notice is given pursuant to the terms of this Section. Any notice or communication sent in accordance with this section will be deemed to be given when received if delivered personally, on the next business day if sent by an overnight commercial courier or two days after the date mailed if sent by certified or registered mail.
15. No modification of this Agreement shall be effective unless in writing and signed by Lender and Guarantor.
16. This Agreement shall be binding upon Guarantor and Guarantor's, heirs, executors, trustees, personal representatives, successors, and assigns (as applicable) and shall inure to the benefit of Lender, its successors and assigns.
17. In this Agreement the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending, or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; references to "attorneys' fees" shall be deemed to be followed by the words "and disbursements"; and references to sections or exhibits are to those of this Agreement unless otherwise indicated. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.
18. This Agreement shall be construed in accordance with and governed in all respects by the laws of the **[PROPERTY STATE]** without giving effect to principles governing conflicts of laws.
19. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS AGREEMENT, THE NOTE, THE SECURITY INSTRUMENT, THE LOAN AGREEMENT, OR THE OTHER LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE, LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY GUARANTOR.**
20. To facilitate execution, this Agreement may be executed in as many counterparts as may be convenient or required. It shall not be necessary that the signatures of, or on behalf of, each party, or that the signature of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures of, or on behalf of, each of the parties hereto. Any signature page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature pages.

**IF MORE THAN ONE GUARANTOR IS A SIGNATORY TO THIS AGREEMENT, THE LIABILITY OF EACH GUARANTOR SHALL BE JOINT AND SEVERAL.**

IN WITNESS WHEREOF, Guarantor has executed this Agreement as of the day and year first above written.

GUARANTOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

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**[INSERT STATE SPECIFIC ACKNOWLEDGEMENT FORM]**