

Fix & Flip Bulletin 2022-09-09

Assignment/Wholesale Fees

Acra Lending's Bridge Lending Division wants to clarify the following Underwriting Process:

When a Loan has an Assignment/Wholesale Fee, Acra's Underwriter will add the fee to the purchase price when calculating Loan Amount. This will allow the Assignment/Wholesale Fee to be financed. See example below:

Sample File

- Purchase Price: \$100,000
- Assignment Fee: \$20,000
- As-Is Value: \$140,000
- Approved Purchase Price/ As-Is Value LTV: 75%*
- Loan Amount Calculation:
 - o $75\% \times (\$100,000 + \$20,000) = \$90,000$

* Acra will take the lesser of the purchase price (plus Assignment Fee) and the As-Is Value

Please distribute this information to the appropriate individuals.