



Loan Setup Process

Training Guide

May 2022 (V1)

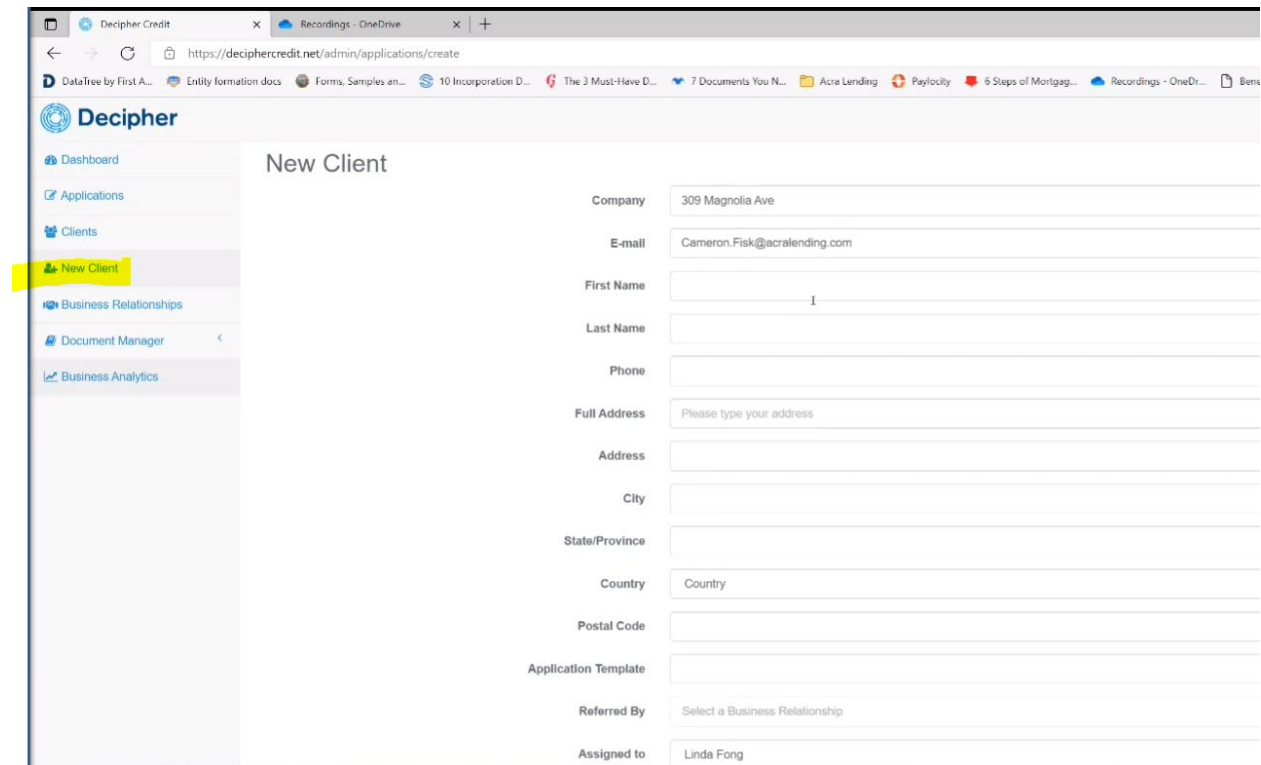
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A. Inputting the Loan

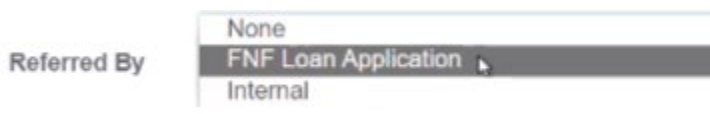
Using the loan monitoring system Decipher, Loan Setup goes to “New Client” and then fills in as much information as possible. Once complete, Loan Setup will click on “Start a New Application” button at the bottom of the screen.

NOTE: “Company” is the borrowing entity’s name.



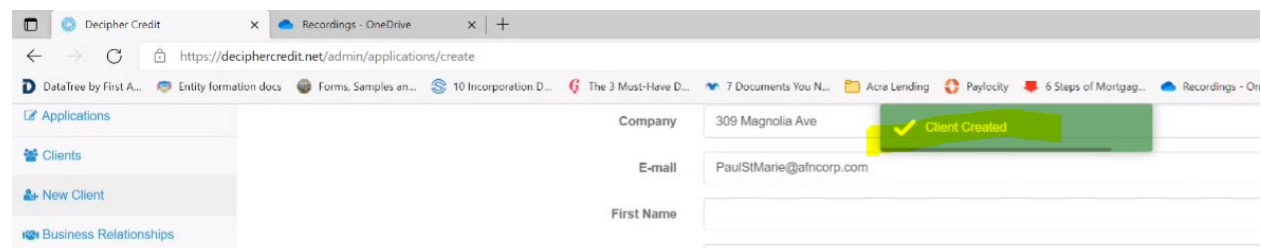
The screenshot shows the Decipher Credit web application interface. On the left is a sidebar menu with options: Dashboard, Applications, Clients, New Client (highlighted in yellow), Business Relationships, Document Manager, and Business Analytics. The main area is titled 'New Client' and contains a form with the following fields: Company (309 Magnolia Ave), E-mail (Cameron.Fisk@acralending.com), First Name, Last Name, Phone, Full Address (placeholder: Please type your address), Address, City, State/Province, Country (placeholder: Country), Postal Code, Application Template, Referred By (placeholder: Select a Business Relationship), and Assigned to (Linda Fong).

Here is the dropdown for “Application Type” Field.



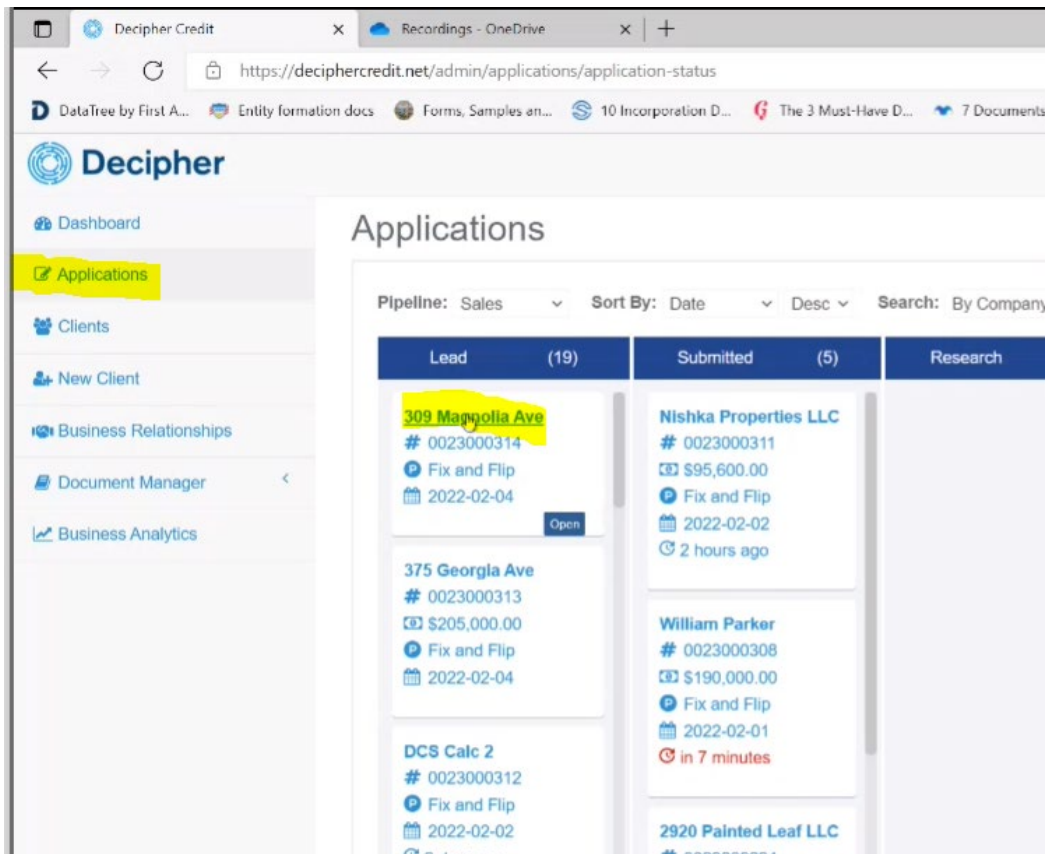
The screenshot shows a dropdown menu for the 'Referred By' field. The menu is open, displaying three options: 'None', 'FNF Loan Application' (which is highlighted with a mouse cursor), and 'Internal'.

Confirmation the New Application has been created



The screenshot shows the Decipher Credit web application interface after a new client has been created. The 'New Client' form is still visible, but a green confirmation banner with a checkmark and the text 'Client Created' is overlaid on the right side of the form. The sidebar menu is also visible, with 'New Client' highlighted.

Next, you will go into the loan file to continue filling out the information. In order to get there click on “Applications” and then the first loan under Lead should be the file just submitted.



Begin with “Loan Information” and begin filling out the following fields (after clicking Edit in the top right corner).

The screenshot shows the 'Loan Information' form in the Decipher Credit application. The form is divided into several sections: 'Loan Information', 'Property Information', 'Property Address County', and 'Additional Information'. The 'Loan Information' section includes fields for Loan Number, Servicing Loan Purpose, and Loan Number. The 'Property Information' section includes fields for Subject Property Address, City, State, Zip Code, County, Property Type, Loan Purpose, AS IS Current Market Value, Amount of Rehab Requested, After Repair Value ARV, Amount of Total Loan Request, Renovations Completed, and Exit Strategy. The 'Property Address County' section includes a field for County Code. The 'Additional Information' section includes fields for How many units? (1-50), Purchase Price, Original Purchase Date, and First Current Lien.

NOTE: The fields “Original Purchase Date” and “First Current Lien” are applicable to a Refinance

309 Magnolia Ave

County Code Lookup Tool 2

How many units? (1-50) 1 Purchase Price \$ 500,000 Original Purchase Date Enter date First Current Lien \$ 0

Second Current Lien (if applicable) \$ 0 Taxes Owed \$ 0.00 Rental Property? Select One

Initial Loan To Value Calculations

Allowable Initial LTV	ROI	LTV ARV	LTC
0.00 %	23.80 %	69.40 %	35.21 %

Initial Advance \$ 0.00 Processing Fee \$ 0 Origination Percentage 0.00 % Origination Amount \$ 0.00

Total Project Cost \$ 710,000 Total Loan Amount \$ 250,000.00

Sponsor/Borrower. Click the + button to add a Co-Sponsor/Borrower

First Name * M.I. Last Name * Email * Suffix
Cameron Fisk@acreslending.com

Phone Estimated Credit Score 1 * Estimated Credit Score 2 * Estimated Credit Score 3 *

First Name * M.I. Last Name * Email * Suffix
Cameron Fisk@acreslending.com

Phone Estimated Credit Score 1 * Estimated Credit Score 2 * Estimated Credit Score 3 *

Broker Name Email Broker Phone NMLS

Application Type Broker

Broker Parameters

Broker Processing Fee	Broker Fee Percentage	Broker Fee Amount	Exit Fee Percentage	Exit Fee Amount
\$ 0.00	0.00 %	\$ 0.00	0.00 %	\$ 0.00

Scope of Work Information

Please download and complete our Rehab Budget Spreadsheet: Download Spreadsheet

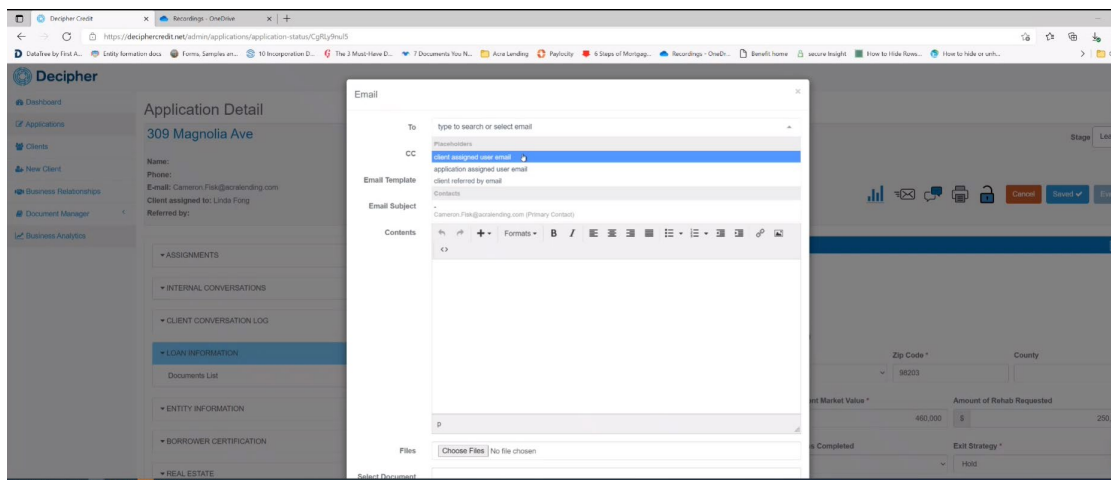
Completed Rehab Budget Spreadsheet * Feasibility

Choose Files No file chosen Choose Files No file chosen

NOTE: NMLS ID will only be applicable if the broker is licensed.

Loan Setup will then review the file for all submission requirements. See Section B below. Once the review is complete an email will be sent out to the Broker/Borrower.

Next, create an email to respond to the submission through our outlook. Loan Setup will grab the link to the borrower's Decipher Profile and paste into the response to the submission in outlook. NOTE: email template in section D below.



1. Broker – Vendor Approval

Loan setup will review on SalesForce, with their provided login, the Broker Company to confirm that they have been approved by Acra's Vendor Management department. Loan setup will look for a status of "Normal".

If the status is otherwise, Loan Setup will notify the Account Executive to rectify the situation.

Loan Setup will hold the submission until this is resolved.

Account
United Mortgage, LLC

Related

Details

News

Account Name	Channel
United Mortgage, LLC	Wholesale
Parent Account	Account Owner
	Nick Harvey
NMLS	Protected Account
4351	<input type="checkbox"/>
Status	Ownership Days Remaining
Normal	88
Website	Approval Date
www.umhomeloan.com	9/29/2021
Phone	Section 4-5 Addendum

B. Create Loan Folder

Loan Setup will create a loan folder here: Z:\Fix and Flip Loans. All documents in the submission email will be saved here and uploaded to Decipher. Loan Setup will also drag the submission email into the folder for future reference.

Loan Setup will work out of this folder as they review the file and collect any missing items to complete the submission.

C. Reviewing the Loan Request

Loan Setup will review the Loan Request for the following

- Ensure that the Subject Property falls within the list of approved states per the Underwriting Guidelines (See section 1.1 and screenshot below)

1.1 Approved States for Business Purpose Loans

The following states are approved for Business Purpose lending:

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Kansas
- Kentucky
- Louisiana
- Maine
- Maryland
- Michigan
- Minnesota
- Missouri
- Montana
- Nebraska
- Nevada
- New Hampshire
- New Jersey
- New York
- North Carolina
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- South Carolina
- Tennessee
- Texas
- Utah
- Vermont
- Virginia
- Washington
- Wisconsin
- Wyoming

- Ensure that the Subject Property does not fall under one of the Ineligible Properties listed in the Fix and Flip Underwriting Guidelines (See section 3.2 and screenshot below)

3.2

Ineligible Properties

The following property types are NOT eligible for financing (unless otherwise approved by Acra Management):

- Hawaii properties in Lava Zone 1 or 2;
- Rural properties;
- Mixed-Use properties;
- Rehab properties located in municipalities where the applicable construction activity is prohibited;
- Mobile homes (properties with VIN numbers or otherwise not attached to a permanent foundation) and cooperatives;
- Ground-Up Construction;
- Properties subject to a ground lease;
- Raw land, working farms, and/or ranches;
- Properties subject to purchase options;
- Residences of less than 400 square feet on average for each residential living unit;
- Properties that are not in compliance with local zoning regulations (including as reflected on the appraisal or residential evaluation) unless a grandfathered, 100% rebuild, non-conforming use or non-compliance will be addressed through the contemplated rehab;
- Former healthcare facilities (such as nursing homes and assisted living facilities);
- Properties with known adverse environmental conditions (other than lead paint, radon, and/or asbestos that do not present a health hazard, do not require remediation, and have been contained per EPA guidelines prior to funding);
- Properties with underground oil tanks where an environmental assessment has not been executed or plans for removal are not included;
- Multi-family properties with an After-Repair-Value that is greater than three times (3x) the appraised As-Is-Value or purchase price if purchased within the last twelve (12) months;
- Areas where more than 10% of other properties within a two (2)-block radius are either clearly vacant, abandoned, and/or boarded-up;
- Properties that are part of new "track area developments" or newly developing areas where more than 25% of other nearby properties within a one (1)-mile radius are newly constructed, homes under construction, and/or lots are for sale; or
- Multifamily properties classified as Class D Properties that are not constructed using a customary method for the area in which they are located.

- Pull Flood Cert
 - o Go to the Link: <https://www.cscfinancialonline.com/> (Everyone has their own username and login)

- Go to Search Center and fill in the following information
 - Loan Number
 - Product: Fix n Flip
 - Select Service
 - Flood Zone Determination – residential – life of loan – by company
 - Click on bubble for “Run now and receive instant results”
 - Full Business Name (is this borrower’s name or our name?)
 - Address – Subject Property Address
 - City – Subject Property City
 - Zip – Subject Property Zip
 - County – Subject Property County
 - Loan Number

CSC CORPORATION SERVICE COMPANY

My Center | **Search Center** | Document Center | Financial Center | Help Center

Add Note | Existing Searches | Help

Search Information

Loan Number 0202022

Product Fix n Flip

Favorites: Search Package A - Entity

Select Country: ☒ United States ☐ Canada

Select Service UCC
 Corporate
 Liens
 Tracking Services
 Litigation
 Bankruptcy
 Business Credit Report
 Suits, Liens and Judgments
 Flood Zone Determination
 Property Search Request

State:

Favorite Includes:
 UCC Summary by Debtor Name | (S.O.S.)
 Federal Tax Liens | (Jurisdiction)
 Civil Litigation Search | (Jurisdiction)

Commercial
Residential
 Life of Loan
 Basic

By Company
 By Individual
 By Company

2/7/201
 Acra L
 Call for Su
 8:00 a.m.

Select Service ▼

Type of Order: **Residential Flood Certification - Life of Loan**

Provides certification of whether or not a property lies in a flood zone, and includes map change tracking with follow-up determinations for the life of the loan.

State: California

☒ Run now and receive instant results
☐ CSC will run and return results to me

Full Business Name:

Address:

City:

Zip:

County:

Loan Number:

APN/Tax Number:

Legal Description:

Lender Name: 1000257718

[Add to List](#) [Submit Now](#)

- Redfin – Find the subject property on Redfin and save to PDF the results
- Rural Check using Consumer Financial Protection Bureau. Print to PDF the results.

Decipher Credit | Recordings - OneDrive | Rural and underserved areas tool

https://www.consumerfinance.gov/rural-or-underserved-tool/#rural-or-underserved

Consumer Financial Protection Bureau

Search | [Submit a Complaint](#)

Consumer Education | Rules & Policy | Enforcement | Compliance | Data & Research | News

Rural and underserved areas tool

1 of 1 addresses processed for **2021** rural or underserved area safe harbor designation.

[Print results](#) | [Download results](#)

If you are having problems with the download, please review the "General questions" in the FAQ.

1 address is **not** designated as rural or underserved for **2021**

These properties **cannot** be counted as rural or underserved.

Address Entered	Address Identified	County	Rural or Underserved?
309 Magnolia Ave Everett, WA 98203	309 MAGNOLIA AVE, EVERETT, WA, 98203	Snohomish	No Show map

- Pull SiteX on the subject property and save the document

D. Reviewing for a Complete Submission

All documents attached to submission need to be uploaded to Decipher. Including but not limited to the pre-qualification letter.

1. Minimum Submission Requirements

Acra Lending has minimum submission requirements for Fix and Flip loans. Loan Setup will hold onto a loan and continue to follow up until all submission items are received.

Minimum Submission Items:

- Complete and Signed Application
- Signed Disclosures
- Signed E-Consent
- Fully Executed Operating Agreement/By-Laws (For the Borrower and any nested entity)
- Experience Verification (REO or List of Properties Owned/Sold) (For the Borrower and/or Guarantor(s))
- Rehab Budget with Scope of Work
- Purchase Contract (If applicable)
- Prequalification Letter

NOTE: All final items will be uploaded to Decipher

2. Complete and Signed Application

A complete and signed Application is a required item of a complete submission. Loan Setup will review to ensure that all information is completed and all parties signed the bottom of the Application. This will authorize background checks and credit. If anything is missing Loan Setup will follow up with the AE/Broker.

3. Signed Disclosures and E-Consent

Loan Setup will review to ensure receipt of a signed copy of the following disclosures. If anything is missing Loan Setup will follow up with the AE/Broker.

Required Disclosures

- Equal Credit Opportunity Act Notice
- ECOA Valuation Rule Delivery Waiver
- Electronic Communication Consent Agreement
- Mortgage Fraud
- Patriot Act Information Disclosure
- Acra Flood Insurance Disclosure (If Subject Property is in a flood zone)

4. Fully Executed Operating Agreement/By-Laws

Loan Setup will review the Operating Agreement/By-Laws for the following:

- Name of Entity
 - o Purchase: Name matches the buyer on purchase contract
 - o Refinance: Name matches the owner of the subject property per Sitex
- All pages included: Verify by page numbers or continuity of text
- List of all Members and/or Owners
 - o NOTE: if the Member/Owner is an entity we need the Operating Agreement/By-Laws for that entity as well (subject to the same review)
 - o NOTE: Loan Setup will verify that all Members/Owners with 20% or more ownership are listed on the loan application and have signed. If not Loan Setup will follow up for an application for additional Member/Owner.
- Signed
 - o Operating Agreement: Needs to be signed by all members (regardless of % of ownership)

- By-Laws: Needs to be signed by the secretary. Owner's signature(s) is/are not needed

5. Experience Verification

Loan Setup will review to ensure that a list of REO (Real Estate Owned) is provided by the Borrower/Guarantor to allow Processing to verify Borrower/Guarantor experience.

6. Rehab Budget

A Rehab Budget with a Scope of Work is required as a minimum submission requirement. This document is needed in order to place the order for the appraisal.

Loan Setup will review to ensure that the Rehab Budget is provided in a satisfactory format and includes a written Scope of Work.

7. Purchase Contract/Sitex

Loan Setup will review for (1) a purchase contract if the loan is a purchase OR (2) pull sitex on the subject property. The following information will be verified

- Purchase
 - Buyer on the contract must match the Borrower
 - Purchase price matches the pre-qualification
 - Property address matches the pre-qualification/application
- Refinance
 - Borrower is on title per Sitex (Needs to be pulled and verified by Loan Setup)

8. Prequalification Letter

Loan Setup will ensure that the Prequalification Letter is provided to complete the submission. They will save it in the folder and Decipher.

This will be needed by Underwriting as they review the file for their first Conditional Loan Approval.

E. Template Email

Loan Setup will utilize the below template to response to all loan submissions.

1. Complete Submission

a. Response to Submitter

Subject Line: Loan Number / Borrower Name / Subject Property Street Name

Hello,

Thank you for submitting a Fix & Flip Loan to Acra. Please be advised that your loan has been submitted. A Processor will reach out to you shortly with an initial needs list.

Below please find a link to your login credentials to our system Decipher. There you can upload all additional items in the future.

Link: _____

Thank you

b. Email to Processing Team Leads

Subject Line: Loan Number / Borrower Name / Subject Property Street Name

Hello,

This loan is ready to be assigned to a processor.

Thank you.

2. Incomplete Submission

Subject Line: Loan Number / Borrower Name / Subject Property Street Name

Hello,

Thank you for submitting a Fix & Flip Loan to Acra. Please be advised that your loan has been submitted. At this time, we require additional documentation to move to our next step in the process. Please see below a list of items needed in order to complete your submission.

[NOTE to Loan Setup: Remove anything below that has already been provided]

- Complete and Signed Application
- Signed Disclosures
- Signed E-Consent
- Fully Executed Operating Agreement/By-Laws (For the Borrower and any nested entity)
- Experience Verification (REO or List of Properties Owned/Sold) (For the Borrower and/or Guarantor(s))
- Purchase Contract (If applicable)
- Environmental Questionnaire (If applicable)
- Pre-Qualification Letter

Thank you and please let me know if you have any questions.