

Fix & Flip Bulletin 2022-09-01

Feasibility Report

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

- Feasibility Report
 - A third-party review of an estimated rehab budget along with an inspection of the property. This report ensures that the amount on the estimated rehab budget is adequate for the current state of the property and the improvements contemplated.
 - A Feasibility Report is ordered by the Processor. A payment link will be sent directly to the Borrower/Guarantor. Payment must be received in advance of completion of the report.
 - A Feasibility report is required when
 - A Fix and Flip loan contains rehab dollars that are equal to 50% or more of the appraised as-is value.
 - Change of use – going to occur during term of the loan
 - 20% Expansion and/or
 - Appraisal / appraisal review cites structure concerns

Please distribute this information to the appropriate individuals.

