

## Bridge Conditional Loan Approval

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The Bridge Product Conditional Loan Approval (CLA) provides the customer (Broker/Borrower) with important information regarding their loan that is in progress:

- Loan Information (Pricing, Terms, Payment, etc.);
- Information/Documents Requested (aka “Conditions”).

Sales Staff should be able to:

- Understand the Bridge CLA;
- Help ensure CLA contents are accurate (especially for customers);
- Explain its contents to customers / answer questions that arise regarding it.

The following should help Sales Staff to effectively execute the above-referenced tasks.

## Conditional Loan Approval

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September 9, 2022

Dear Borrowing Entity / Guarantor,

Congratulations on your Conditional Loan Approval. Thank you again for choosing Acra Lending for your lending needs. Below please find the loan terms subject to the terms and conditions set forth in (1) the Conditional Loan Approval; and (2) any subsequent conditions imposed by Acra Lending after receiving a completed application in its sole discretion. Unless otherwise stated, all loan approvals are good for 30 calendar days from the conditional loan approval date above and all document expiration dates provided in connection with this Conditional Loan Approval or any subsequent approval, if any, must be current through the loan funding date. If new information materially impacts the underwriting decision, Acra reserves the right to halt, terminate or modify the rates, terms, conditions, and programs without notice, and may cancel your Submission at any time, for any reason including, but not limited to, a force majeure event.

A Closer will be reaching out to the Closing/Settlement Agent within the next 24 hours to complete this loan process.

### Loan Information

**Loan Number:**

**Subject Property Address:**

**Borrower:**

**Property Type:**

**Guarantor(s):**

**Number of Units:**

**Fico:**

**Purchase Price:**

**Verified Assets:**

**Rehab Budget:**

**Experience:**

**Actual AIV:**

**Estimated Funds to Close\*:**

**Actual ARV:**

**Cash out:**

**Exit Strategy:**

**Loan Type:**

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### Loan Terms

**Loan Term:**

**Actual Purchase LTV:**

**Prepayment Penalty/ Minimum Interest:**

**Actual AIV LTV:**

**Interest Type:**

**Actual ARV LTV:**

**Interest Rate:**

**Actual AIV LTC:**

**Estimated Monthly Payment:**

**Acra Origination Points:**

**Acra Processing Fee:**

**Broker Points:**

**Broker Processing Fee:**

**Rehab Holdback:**

**Initial Advance:**

**Total Loan Amount:**

**Comments:**

### Underwriting Conditions:

**Document Expiration Date:** Credit: <Date> **Assets:** <Date> **Title:** <Date> **Appraisal:** <Date>

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*\*Estimated Funds to Close does not include any third-party fees including but not limited to Closing Agent/Escrow Fees, Title Fees, Recording, Property Taxes, etc.*

# Conditional Loan Approval

September 9, 2022

**General Note:** Review your Pre-Approval/Letter of Intent vs. Conditional Loan Approval

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A Closer will be reaching out to the Closing/Settlement Agent within the next 24 hours to complete this loan process.

## Loan Information

**Loan Number:**

**Borrower:**

**Guarantor(s):**

**FICO:** Review vs. Credit Box for pricing

**Verified Assets:**

**Experience:** Review vs. Credit Box for pricing

**Estimated Funds to Close\*:**

**Cash-Out:**

**Loan Type:**

**Subject Property Address:**

**Property Type:**

**Number of Units:**

**Purchase Price:**

**Rehab Budget:** Should match Rehab Holdback in Loan Terms

**Actual AIV:**

**Actual ARV:**

**Exit Strategy:**

## Loan Terms

**Loan Term:**

**Prepayment Penalty/ Minimum Interest:**

**Interest Type:**

**Interest Rate:**

**Estimated Monthly Payment:**

**Acra Origination Points:**

**Acra Processing Fee:**

**Broker Points:**

**Broker Processing Fee:**

**Rehab Holdback:**

**Initial Advance:** = PP or AIV x LTV%

**Total Loan Amount:** = Initial Advance + Rehab (or ARV or LTC maximum)

**Comments:**

**Interest Type:**

**Dutch** = interest on full loan @ close;

**Non-Dutch** = interest on Initial Advance @ close

**Monthly Payment:**

**Dutch** = Interest Rate x Loan Amount / 12

**Non-Dutch** = Interest Rate x Initial Advance / 12

Acra Points x Loan

Amount =

Origination Amount

**Actual Purchase LTV:**

**Actual AIV LTV:**

**Actual ARV LTV:**

**Actual AIV LTC:**

Check all percentages for accuracy (formulas below in blue)

1. Review Pre-Approval calculations vs. Conditional Loan Approval calculations
  - Check for any changes regarding LTV%, ARV%, LTC%
  - Percentage changes are due to Experience, FICO, Rehab, and/or Exceptions
2. Check the ARV LTV and AIV LTC (for percentages with no decimals)
  - Percentages with no decimals usually indicates the loan was limited by ARV% or LTC%
  - ARV LTV (or LTARV) = Total Loan Amount / ARV**
  - AIVLTC = Total Loan Amount / (AIV or PP + Rehab + Lender Fees)**
3. Check the Purchase LTV and AIV LTV
  - Purchase LTV (or LTPP) = Initial Advance / PP**
  - AIV LTV = Initial Advance / AIV**

## Underwriting Conditions:

**Document Expiration Date:** Credit: <Date> **Assets:** <Date> **Title:** <Date> **Appraisal:** <Date>

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# Conditional Loan Approval

September 9, 2022

Dear Flip Houses Not Fingers, LLC / Flipper Johnson,

Congratulations on your Conditional Loan Approval. Thank you again for choosing Acra Lending for your lending needs. Below please find the loan terms subject to the terms and conditions set forth in (1) the Conditional Loan Approval; and (2) any subsequent conditions imposed by Acra Lending after receiving a completed application in its sole discretion. Unless otherwise stated, all loan approvals are good for 30 calendar days from the conditional loan approval date above and all document expiration dates provided in connection with this Conditional Loan Approval or any subsequent approval, if any, must be current through the loan funding date. If new information materially impacts the underwriting decision, Acra reserves the right to halt, terminate or modify the rates, terms, conditions, and programs without notice, and may cancel your Submission at any time, for any reason including, but not limited to, a force majeure event.

A Closer will be reaching out to the Closing/Settlement Agent within the next 24 hours to complete this loan process.

## Loan Information

**Loan Number:** 0023000XXX

**Borrower:** Flip Houses Not Fingers, LLC

**Guarantor(s):** Flipper Johnson

**Fico:** 675 → FICO below 680, affects terms

**Verified Assets:** \$175,000.00

**Experience:** 2

**Estimated Funds to Close\*:** \$184,145.00

**Cash Out:** N/A

**Loan Type:** Purchase w/ Rehab

**Subject Property Address:** 450 Slippery Slope

Long Beach, CA 90810

**Property Type:** Single-Family Residential

**Number of Units:** 2

**Purchase Price:** \$500,000.00

**Rehab Budget:** \$245,000.00

**Actual AIV:** \$550,000.00

**Actual ARV:** \$800,000.00

**Exit Strategy:** Hold

## Loan Terms

**Loan Term:** 12 Months

**Prepayment Penalty/ Minimum Interest:** Yes: 3 months  
minimum interest payments

**Interest Type:** Non-Dutch

**Interest Rate:** 11.999%

**Estimated Monthly Payment:** \$5,999.50 → Monthly payment is incorrectly based on Dutch Interest; should be Non-Dutch @ \$3,549.70

**Acra Origination Points:** 1.50%

**Acra Processing Fee:** \$1,995.00

**Broker Points:** 2.00%

**Broker Processing Fee:** N/A

**Rehab Holdback:** \$245,000.00

**Initial Advance:** \$355,000

**Total Loan Amount:** \$600,000.000

**Comments:**

**Actual Purchase LTV:** 71.00%

**Actual AIV LTV:** 71.00% → Incorrect; should be 64.55%

**Actual ARV LTV:** 75.00% → Loan likely limited by Matrix ARV%

**Actual AIV LTC:** 74.44%

**Underwriting Conditions:** Note the required items below that are needed to get docs out.

PTF Conditions –

1. Adjust Title Commitment Policy to \$600,000

2. Extension of Purchase Contract through date of funding

**Document Expiration Date:** <Date> **Credit:** <Date> **Assets:** <Date> **Title:** <Date> **Appraisal:** <Date>

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