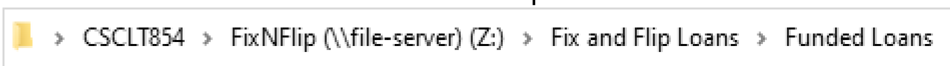
Draw Request Process Investor Loan Division

Training Guide

CREATING BUILT LOAN PROFILE

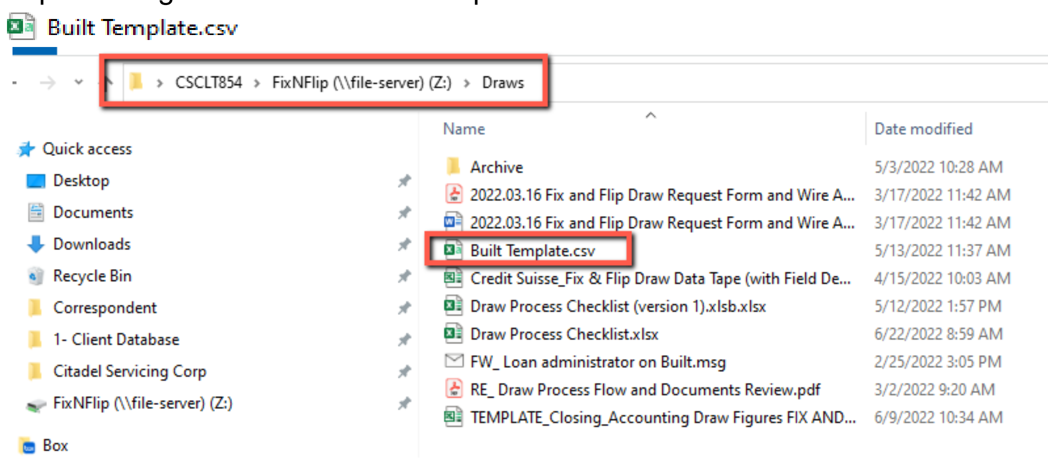
<u>Once Loan funds, create the Draw record via Built</u>:

1. Z: Drive - Move Loan file from Fix and Flip folder to Funded. Path as follows:

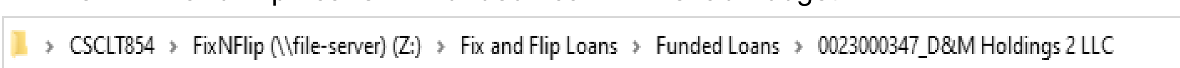


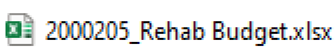
2. Z: Drive – Create Draw Folder => Labeled – Loan #_Draw Folder

3. Prepare Budget: Draws => Built Template.csv



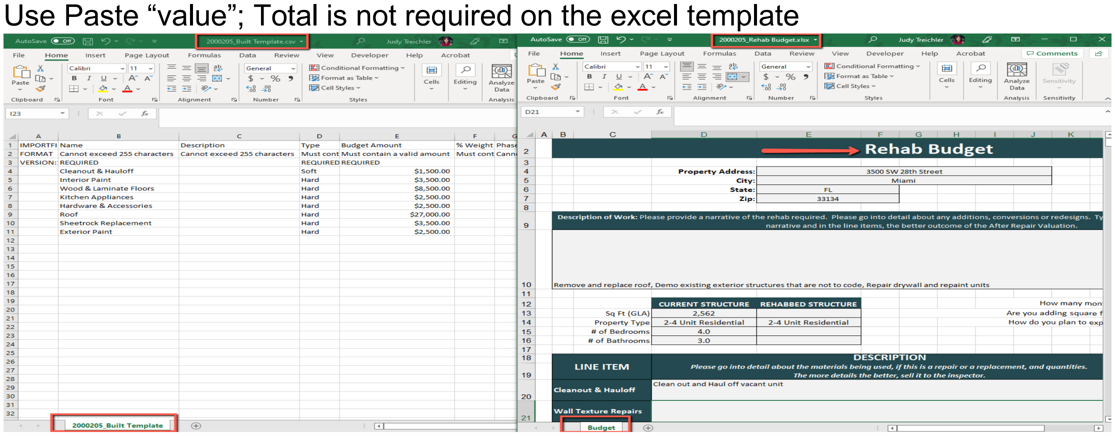
4. Z: Drive =>Fix and Flip Loans => Funded Loan => Rehab Budget





Or, Refer to Decipher

5. Copy Rehab Budget into Built Template
Use Paste "value"; Total is not required on the excel template

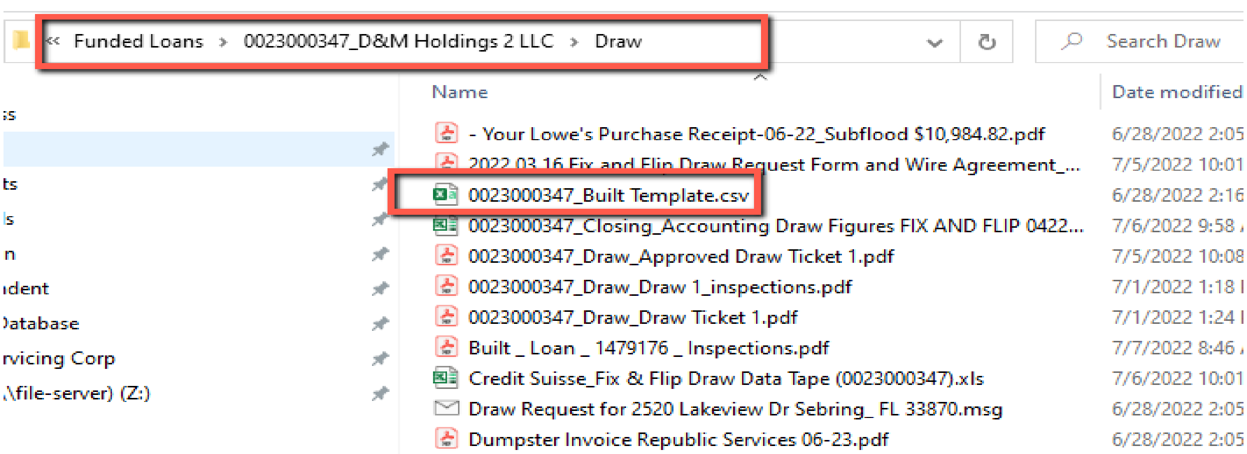


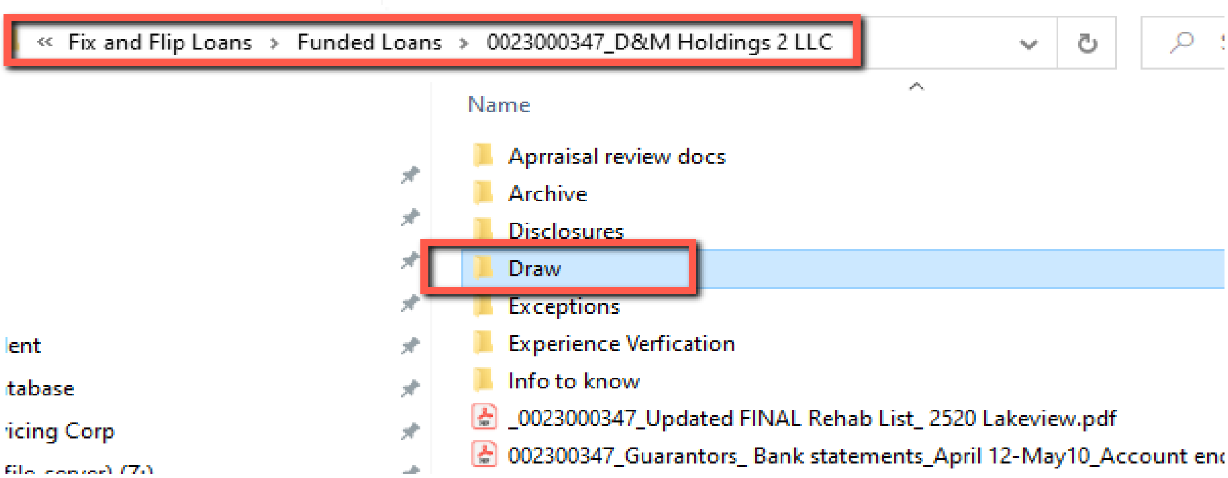
6. Complete Built Template
Highlight all cells then expand to read – follow instructions required in each (i.e., descriptions - cannot exceed 255 characters

a. Required columns
- **Column B** =>" Name" refer to Item in Built
- **Column D** => "Type"
Manual (only use Hard, Soft – Labor, permits, rendering, and Contingency Reserve)
- **Column E** => "Budget Amount"
Expand and remove/delete any that are blank ("0")
- Column C => Descriptions – may need to reword due to character 255 limitations.

A	B	C	D	E	F	G	
IMPORTFI	Name	Description	Type	Budget Amount	% Weight	Phase	% Complet
FORMAT	Cannot exceed 255 characters	Cannot exceed 255 characters	Must conta	Must contain a valid amount	Must contain a valid number 0-100	Cannot exceed 255 characters	Must conta
VERSION:1.	REQUIRED		REQUIRED	REQUIRED			
	Cleanout & Hauloff		Soft	$1,500.00			
	Interior Paint		Hard	$3,500.00			
	Wood & Laminate Floors		Hard	$8,500.00			
	Kitchen Appliances		Hard	$2,500.00			
	Hardware & Accessories		Hard	$2,500.00			
	Roof		Hard	$27,000.00			
	Sheetrock Replacement		Hard	$3,500.00			
	Exterior Paint		Hard	$2,500.00			

7. Save Rehab Budget on Built Template to Draw Folder via Z: Drive



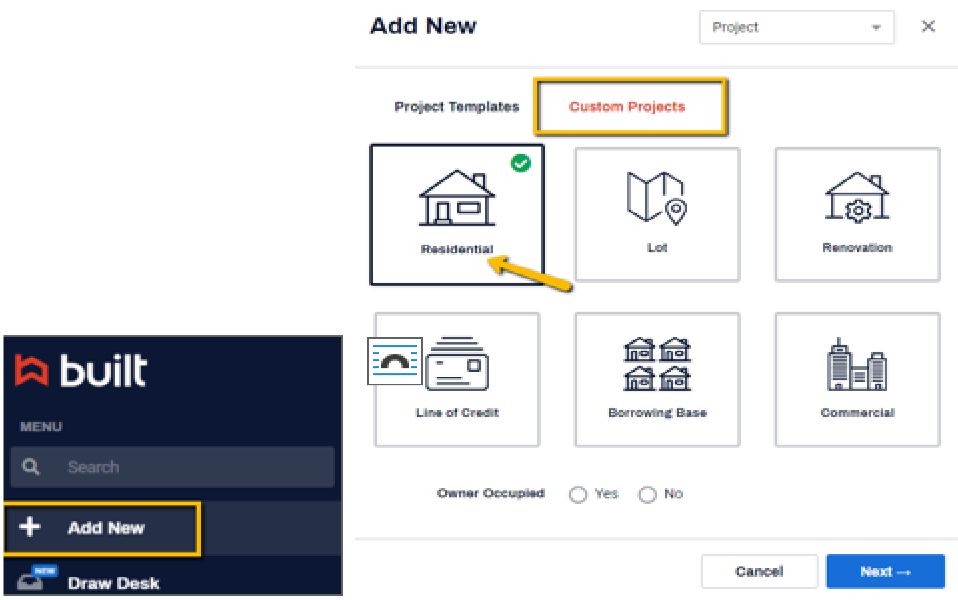


8. Create New Built Loan Profile

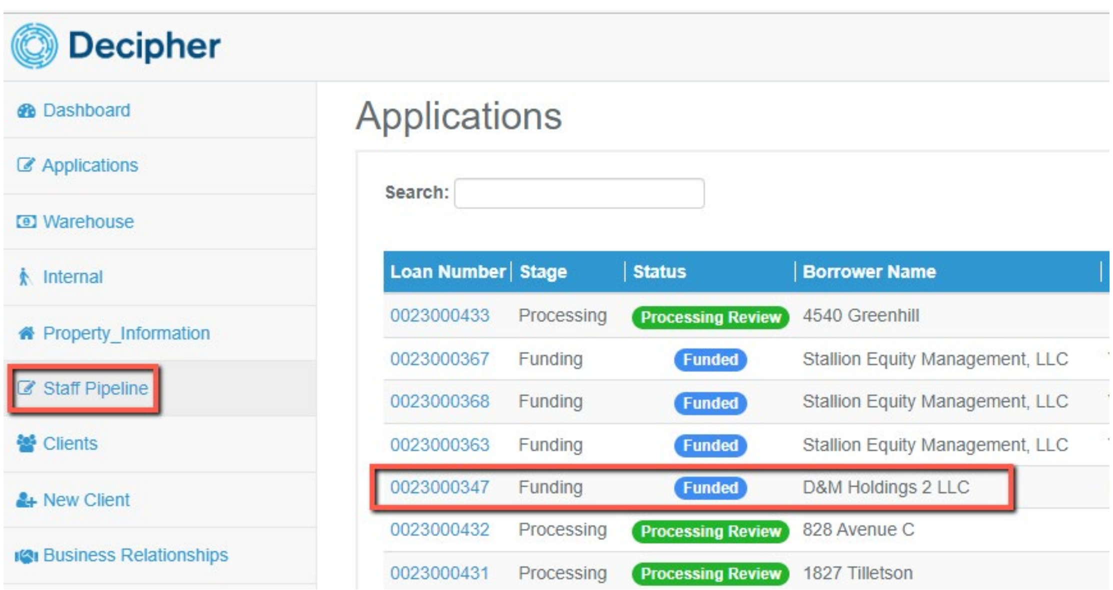
9. Upload/Import completed templated to Decipher and Built

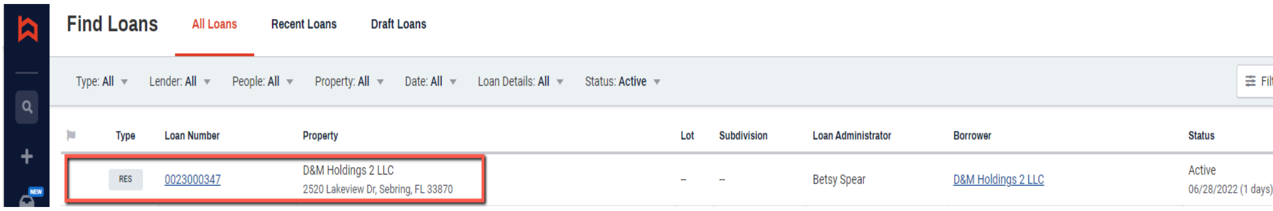
Built: New Loan Profile:

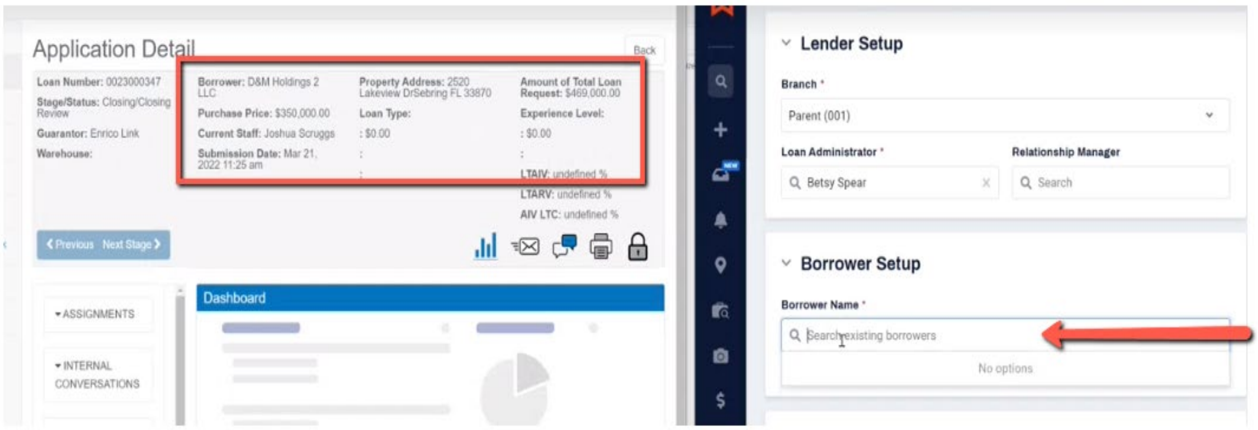
1. +Add New
2. Custom Projects tab
3. Residential (Commercial for Multifamily)
4. Input info in all asterisk fields*



a. Borrower Name (Company Info) – Refer to Decipher for Loan information





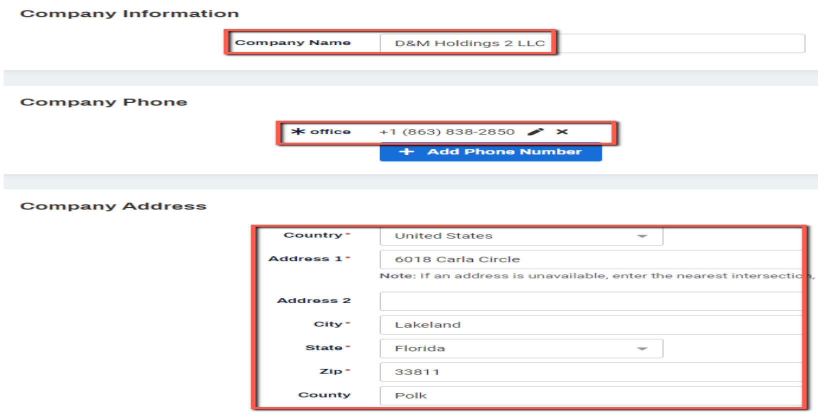


b. Loan Administrator Selection
Select Draw Requests in the drop-down selection.
Note – "Draw Requests" goes to general mailbox with multiple users for management.

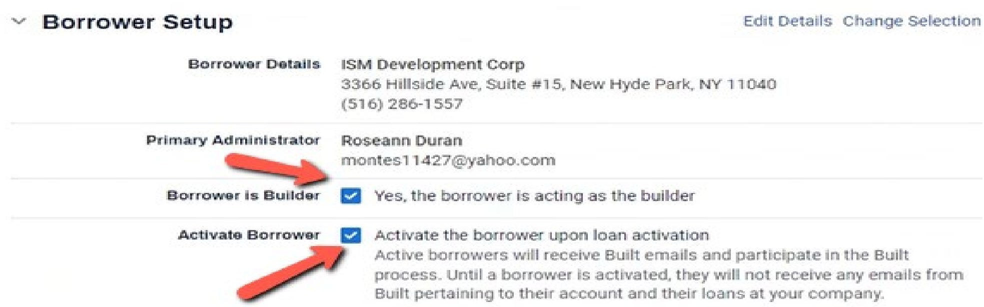
c. Borrower Set Up
Reference Decipher for identifying information

Company Information, Phone and Address (Application, Articles of Corp., Draw request form)

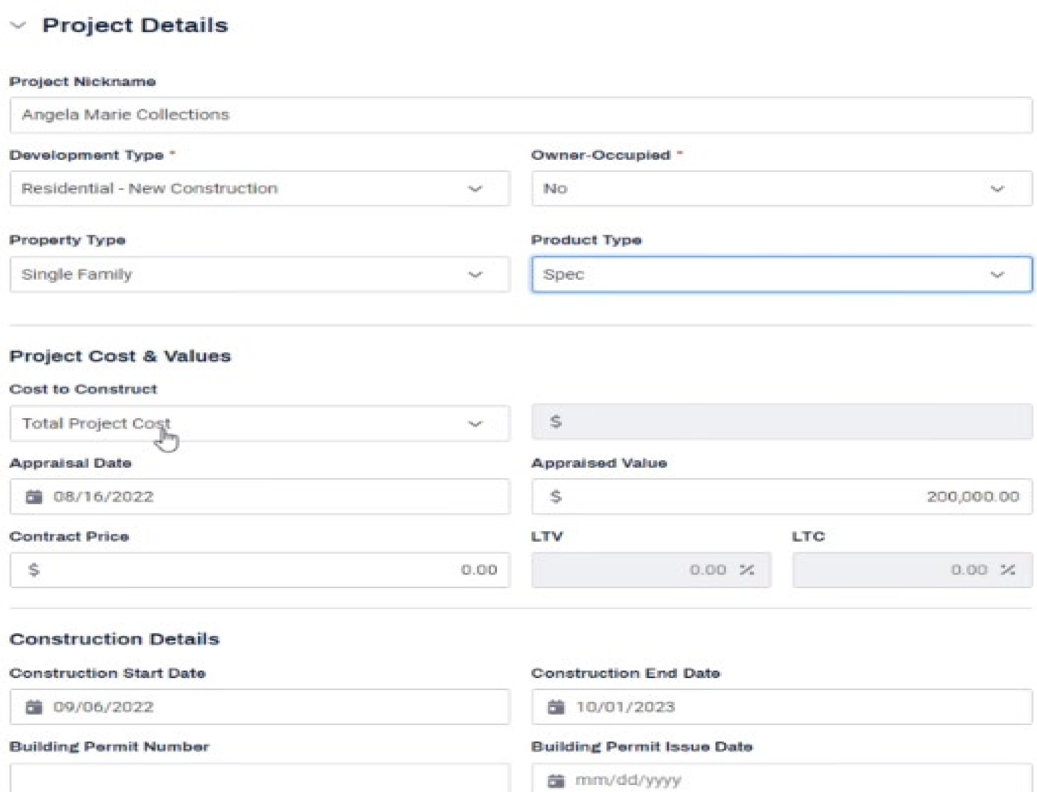
- Borrower Name = Company Name
- Confirm Contact person is the Guarantor
  Important info so that the reimbursement is issued to the Guarantor or the Borrowers directly.



d. Borrower Check
   Select Brower is Builder and Activate Borrower



e. Project Details
   If Rehab selected, Select “Escrow Holdback”.

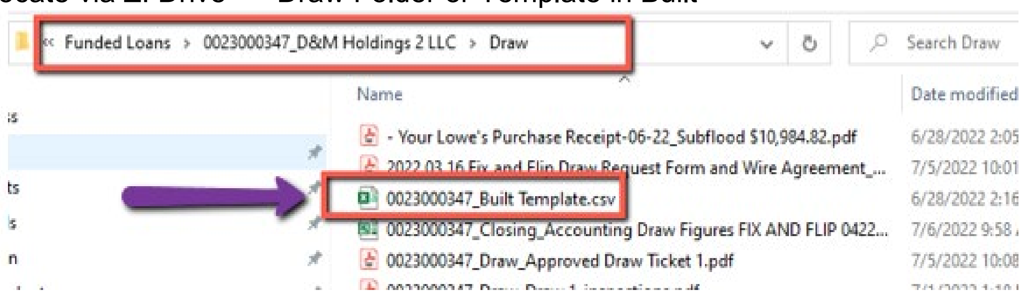


f. Project Cost & Value
Use Budget Amount for the Custom Amount

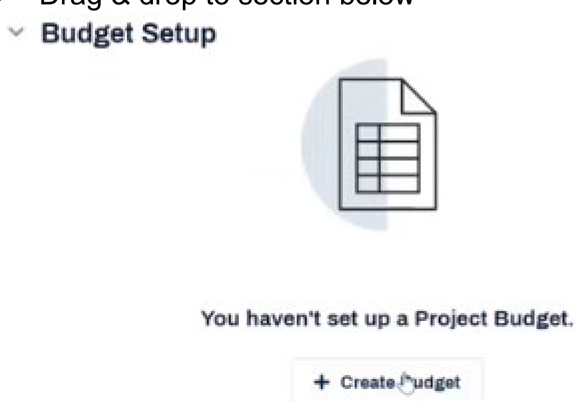
g. Property Location – Check against Decipher and Appraisal for Address

h. Budget Set Up

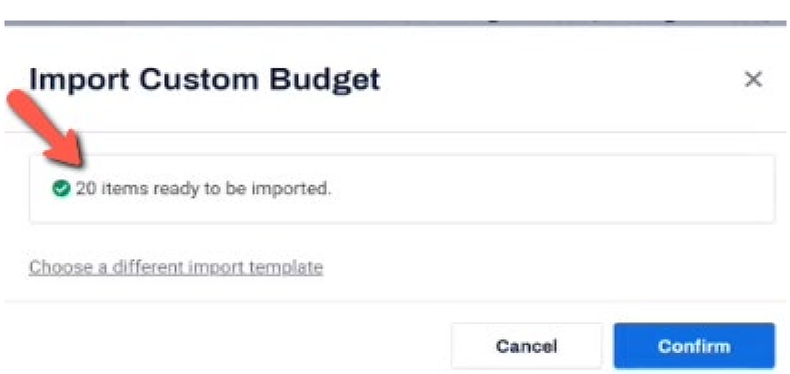
- Locate via Z: Drive => Draw Folder or Template in Built



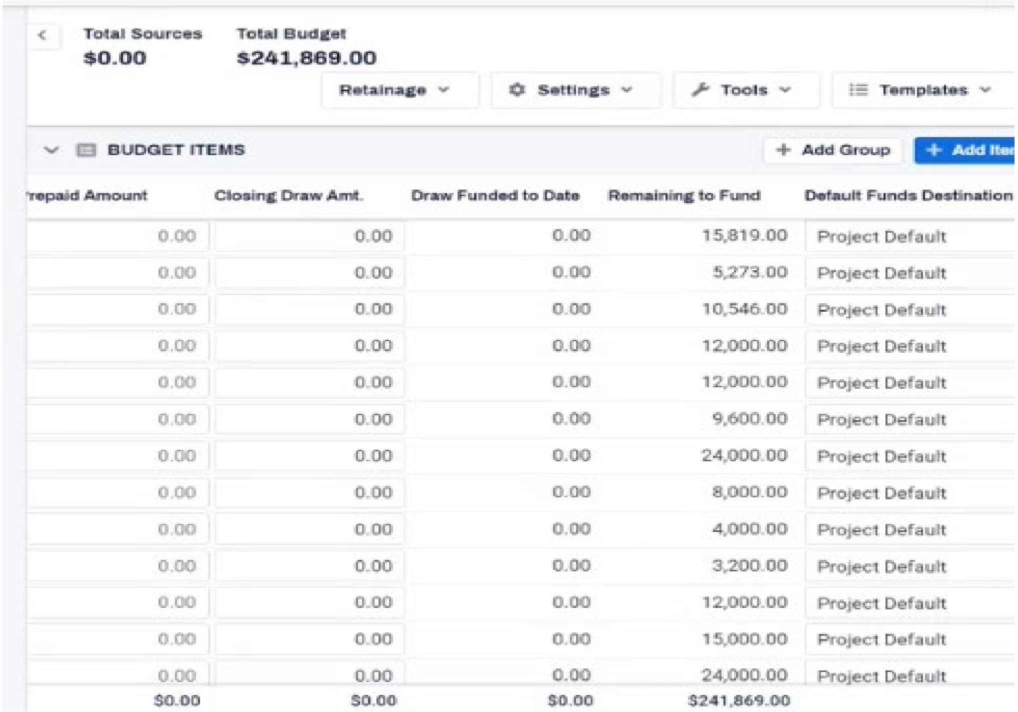
- Drag & drop to section below



- Import – "Success" with Green Check

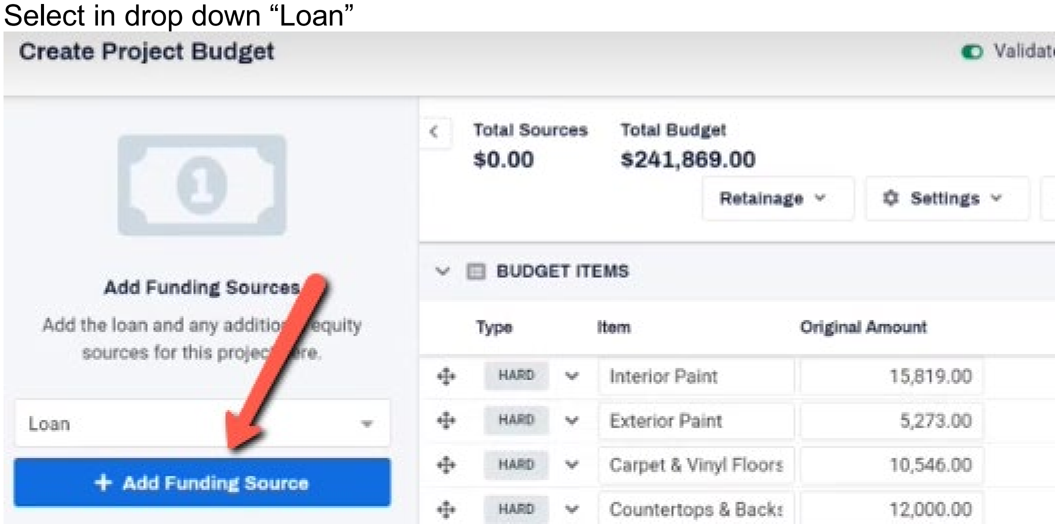


- Once import is complete, it can be viewed via Built
- Save changes

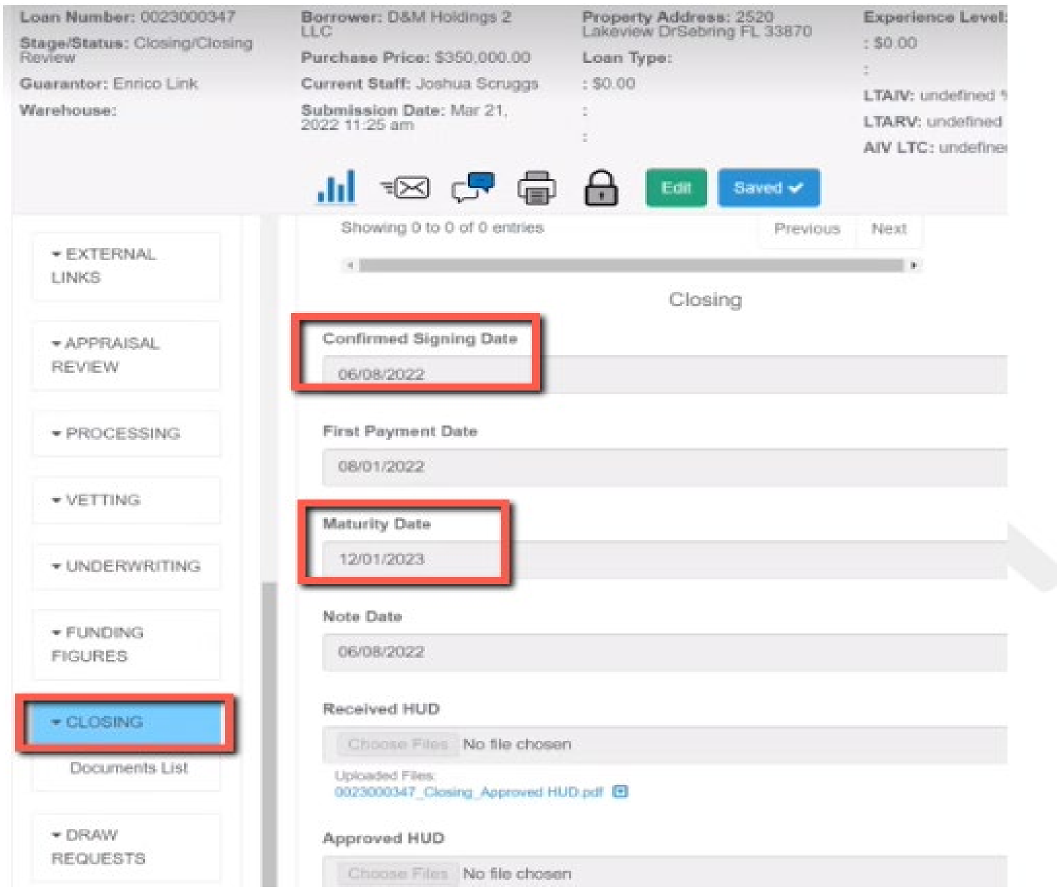


i. Add Funding Sources

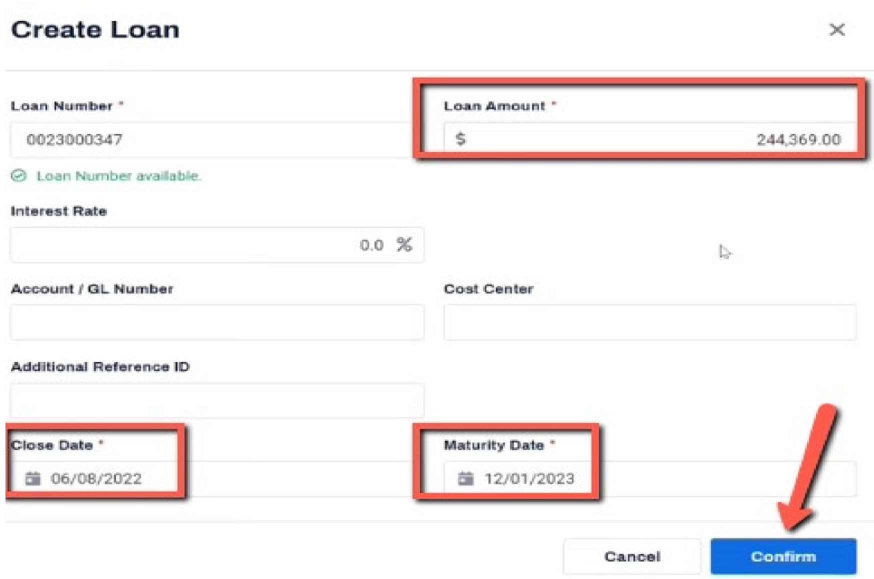
- Select in drop down "Loan"

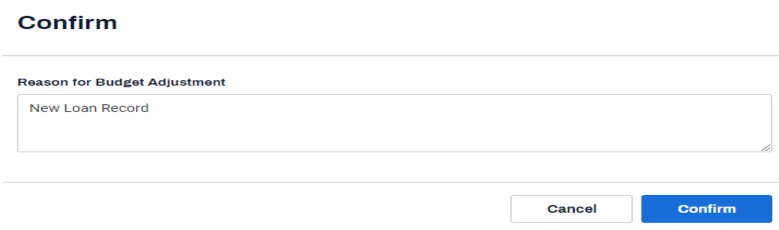


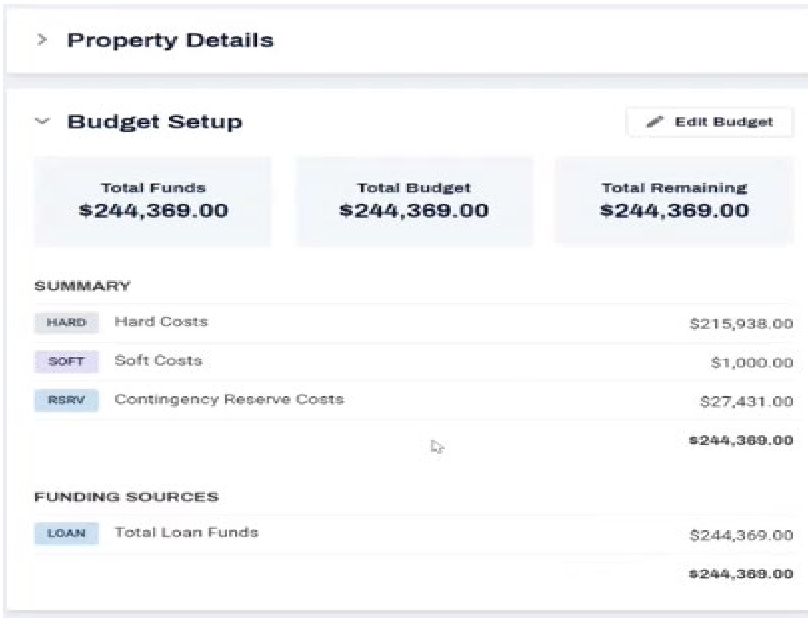
- Loan Amount = Total Budget Amount
- Closing Date Refer to closing screen in Decipher
- Maturity Date

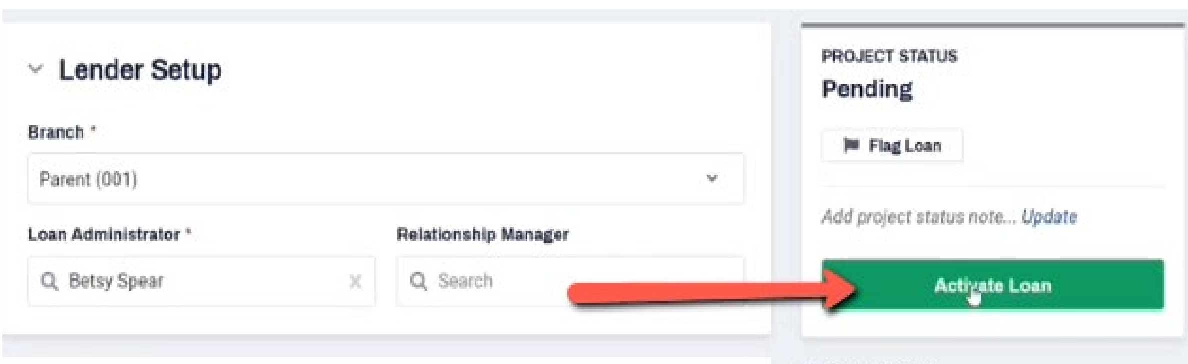


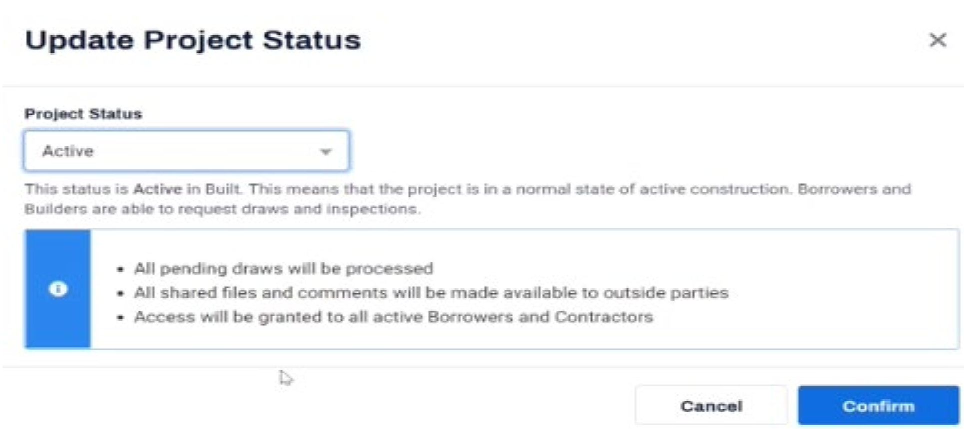
- Create Loan Input
- Confirm
- Activate




Confirm
Reason for Budget Adjustment
New Loan Record
Cancel
Confirm


Property Details
Budget Setup
Edit Budget
Total Funds
$244,369.00
Total Budget
$244,369.00
Total Remaining
$244,369.00
SUMMARY
HARD
Hard Costs
$215,938.00
SOFT
Soft Costs
$1,000.00
RSRV
Contingency Reserve Costs
$27,431.00
$244,369.00
FUNDING SOURCES
LOAN
Total Loan Funds
$244,369.00
$244,369.00


Lender Setup
Branch *
Parent (001)
Loan Administrator *
Betsy Spear
Relationship Manager
Search
PROJECT STATUS
Pending
Flag Loan
Add project status note... Update
Activate Loan


Update Project Status
Project Status
Active
This status is Active in Built. This means that the project is in a normal state of active construction. Borrowers and Builders are able to request draws and inspections.
All pending draws will be processed
All shared files and comments will be made available to outside parties
Access will be granted to all active Borrowers and Contractors
Cancel
Confirm

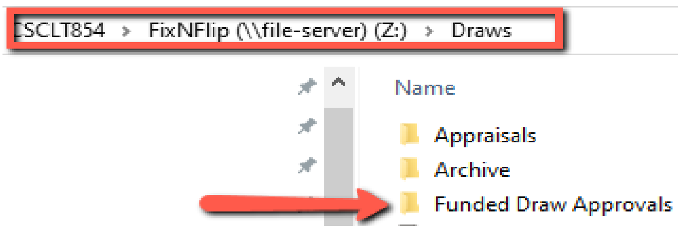
WELCOME CALL/EMAIL – FUNDED/DRAW

Loan has Funded:

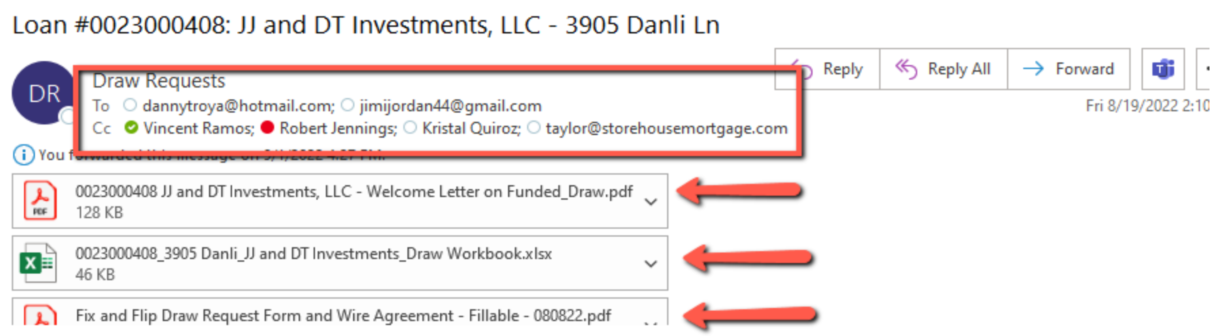
1. Built Profile is created

   **Refer to "Creating Built Loan Profile"*

2. Budget Workbook is created and saved via the Z: Drive



3. Prepare Draw Welcome Letter/Email
   - ➢ Welcome Letter
   - ➢ Draw Request and Wiring Info Form
   - ➢ Budget Workbook



Dear Mr. Jimi Jordan/Danny Troya,

Congratulations your loan has funded!

From the entire team at ACRA, we thank you for giving us the opportunity to close your loan. It's been a privilege to help you reach your home financing goal.

The following is required when you are ready to submit draw requests:

- Submit draw requests to: drawrequests@acralending.com
- Draw Request process must include the following:
  - Submission of draw request form (see attached)
  - Draw Management Report (excel worksheet attached)
  - Invoices/Paid Receipts-must be numbered corresponding with the item number

    **Note:*
    - *All invoices submitted must be "paid-in-full". We do not allow a draw on any invoice that has a remaining balance.*
    - *All items (materials, supplies – windows, doors, etc., appliances) MUST BE installed prior to draw requests.*
- Lien Waivers will be required on all HARD Construction Line Items that are $5000.00 or greater.

We look forward to working with you during the Draw process.

Please do not hesitate to contact the Acra team with any questions.

Thank you for your business.

Regards,

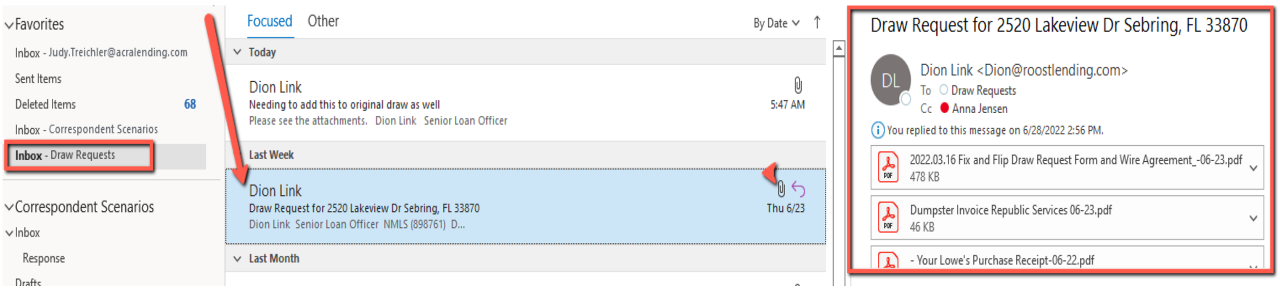
ACRA

PROCESSING DRAW REQUEST

<u>Request for Draw Reimbursement</u>: ***Note – Allowable draw requests – 2/month up to 9 total***

Email from Borrower and/or through the Draw Request Mailbox => drawrequests@acralending.com

Note – redirect any individual request to the central mailbox.



a. Save the following to both Z: drive and Decipher for document references:

- Borrower draw documents provided (i.e., Draw request & wiring form, Invoices, receipts, lien waivers (**Required for work $5k or greater*), permits, etc.).

- Draw Specialist/Asset manager reviews the “draw documents” submitted to ensure the budget line items coincides with draw docs.

- Budget must be reconciled to ensure the following:
    - ➢ Invoice/receipt for items/service done, must have a budget line item for inspector.
    - ➢ Draw request budget line items must track based on percentage of completion
    - ➢ Draw budget line items cannot be in the negative

  If any of the above occurs, budget must be reevaluated to reallocated and/or add accordingly completing the “Budget Change Form” and to be reviewed, approved, and signed by the borrower acknowledging the changes.

Budget Change Order Form

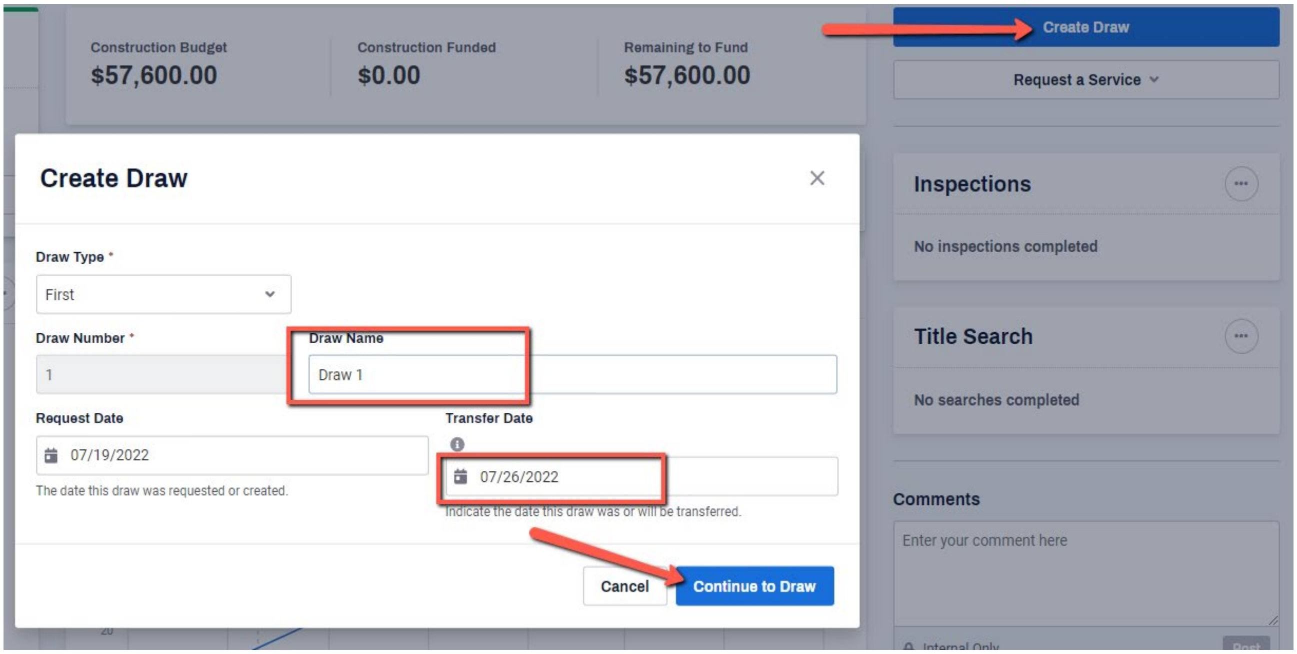
Date:	**9/2/2022**
Borrower Name:	**MFS Investment**
Loan #:	**0023000306**
Revised Date:	**9/6/2022**

Line Item #	Description	Original Budget	From	Amount	To	Amount	Revised Budget
1	Architect	$ 25,000.00	1 - Architect	$ (19,160.00)			$ 5,840.00
20	Roof	$ -			20 (Add) - Roof	$ 12,770.00	$ 16,540.00
13	Fencing	$ 7,000.00			13 - Fencing	$ 1,450.00	$ 8,450.00
					18 - Closets	$ 4,940.00	
						$ 19,160.00	

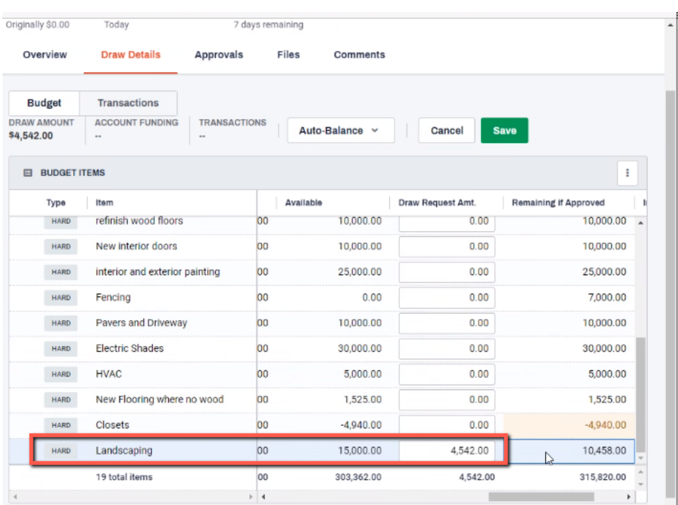
- Once draw request budget has been reconciled, submit “Inspection Request” (**as applicable – soft costs draws do not apply*) and schedule inspection.

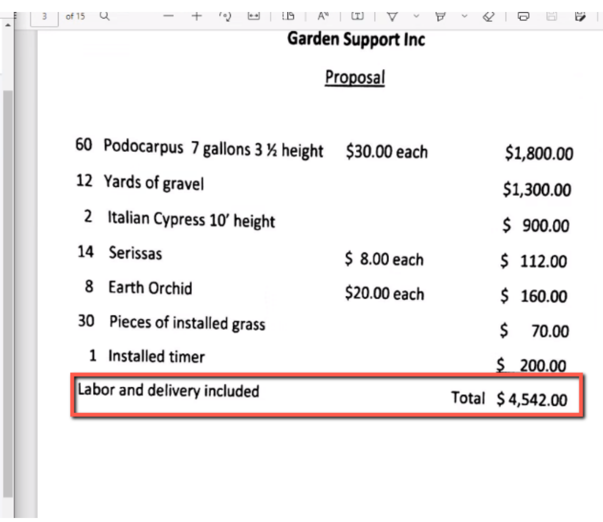
REQUEST FOR INSPECTION

1. Find Loan
2. Create Draw
3. Label – Draw Name = Draw Number (1, 2, 3, etc.)
4. Transfer Date => Set at 1 week out to allow time for inspection to be scheduled and completed

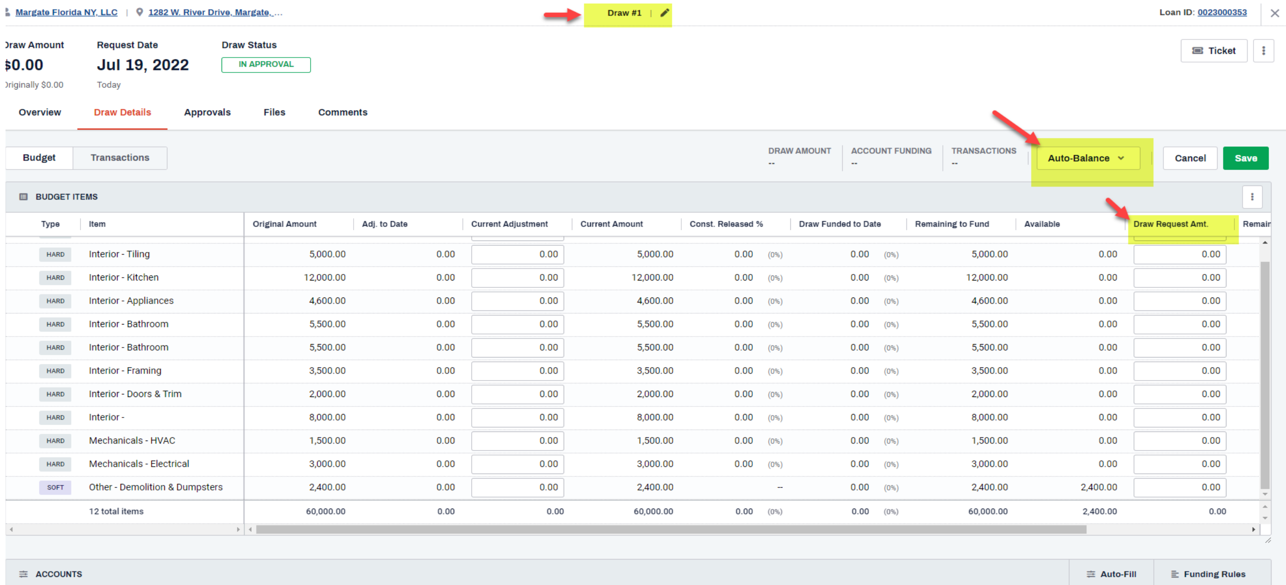


5. Enter draw request to the budget

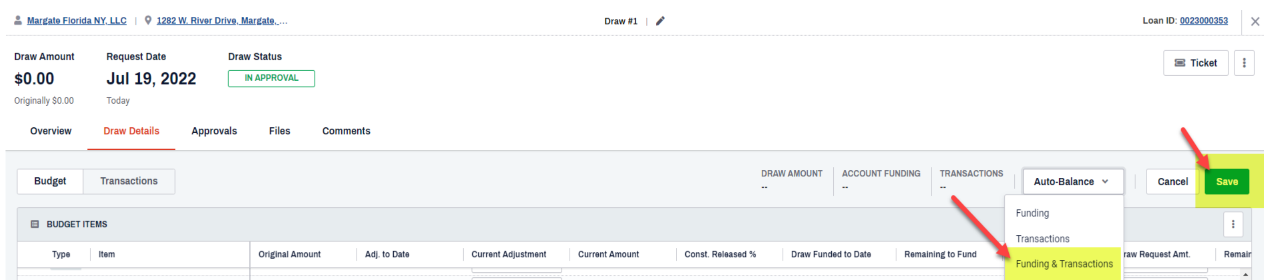


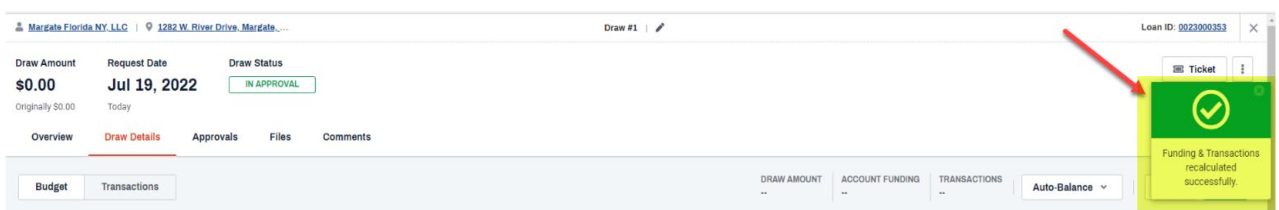


6. Select Auto Balance

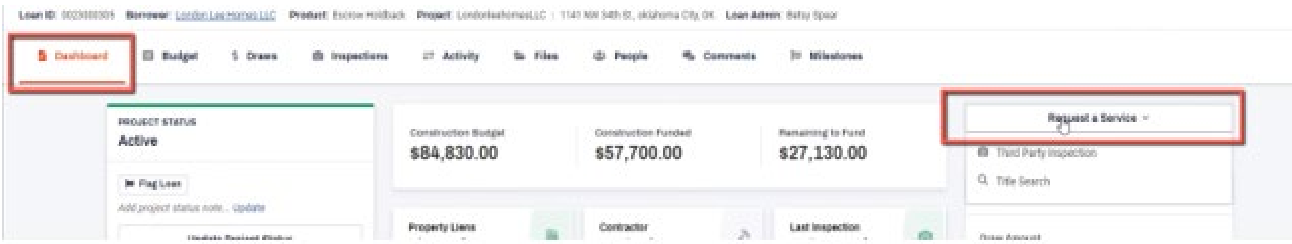


7. Select Funding & Transaction
8. Funding & Transactions recalculated results (successfully)
9. Save

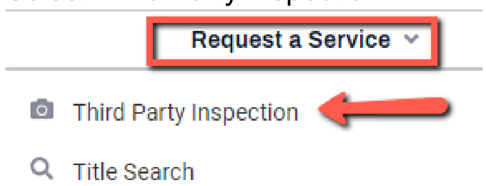




10. Complete the Inspection Request
    - Search for loan => "Staff Pipeline"
    - Go to Dashboard

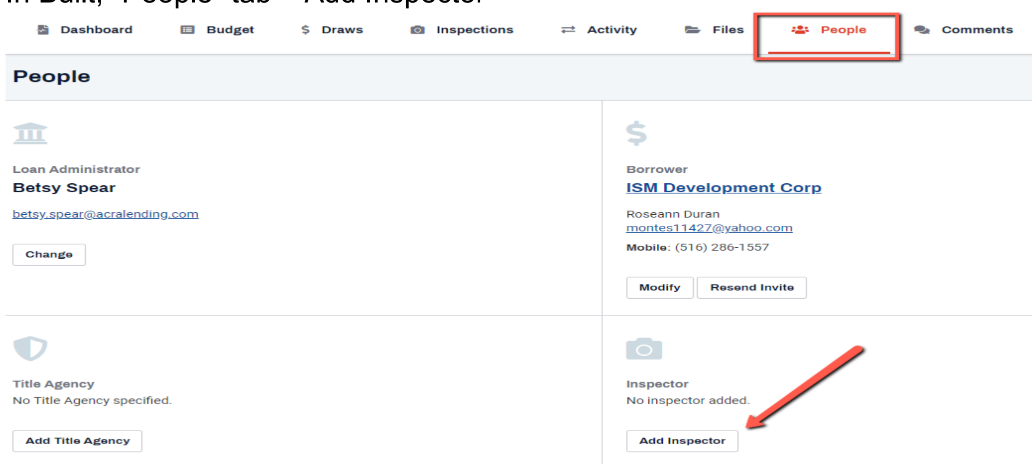


- Request a Service
- Select Third Party Inspection

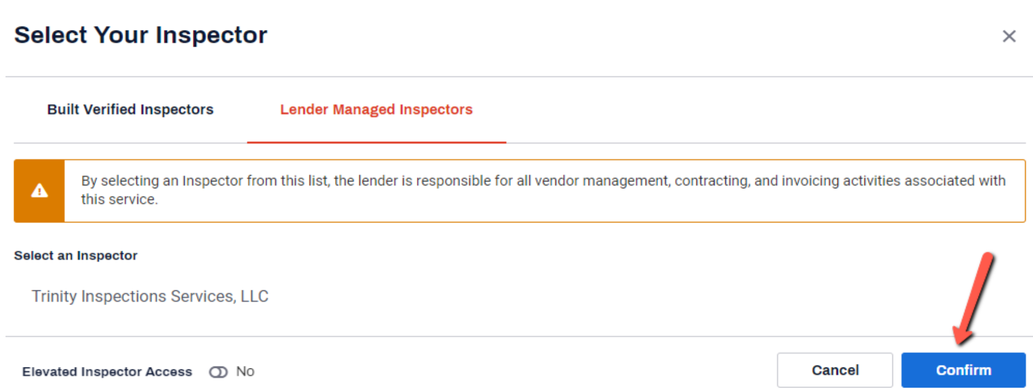


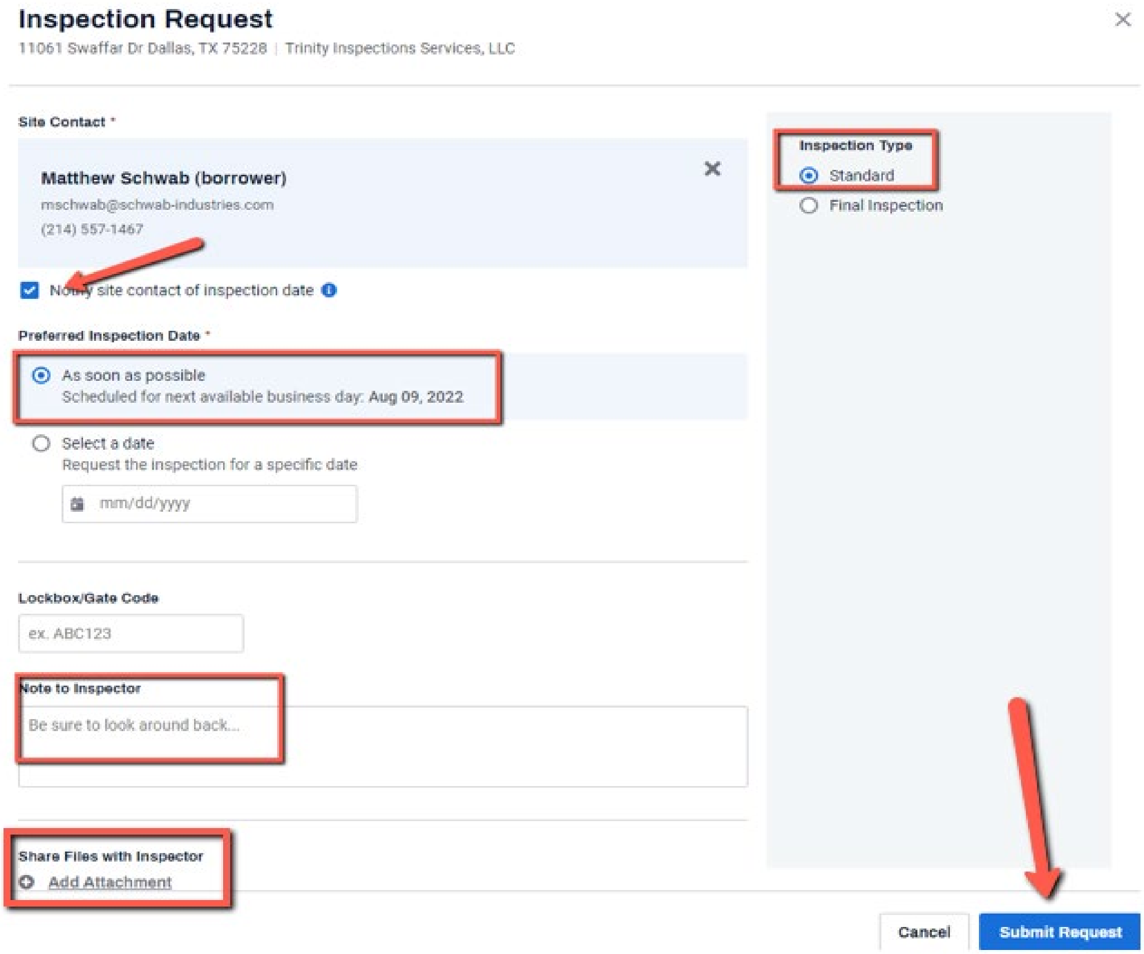
For Trinity Inspection requests, include the following steps:

a. In Built, "People" tab – Add Inspector



b. Select Inspector:
   - ➢ Select Your Inspector
   - ➢ Lender Managed Inspectors
   - ➢ Elevated Inspector Access => "Yes"
   - ➢ Confirm

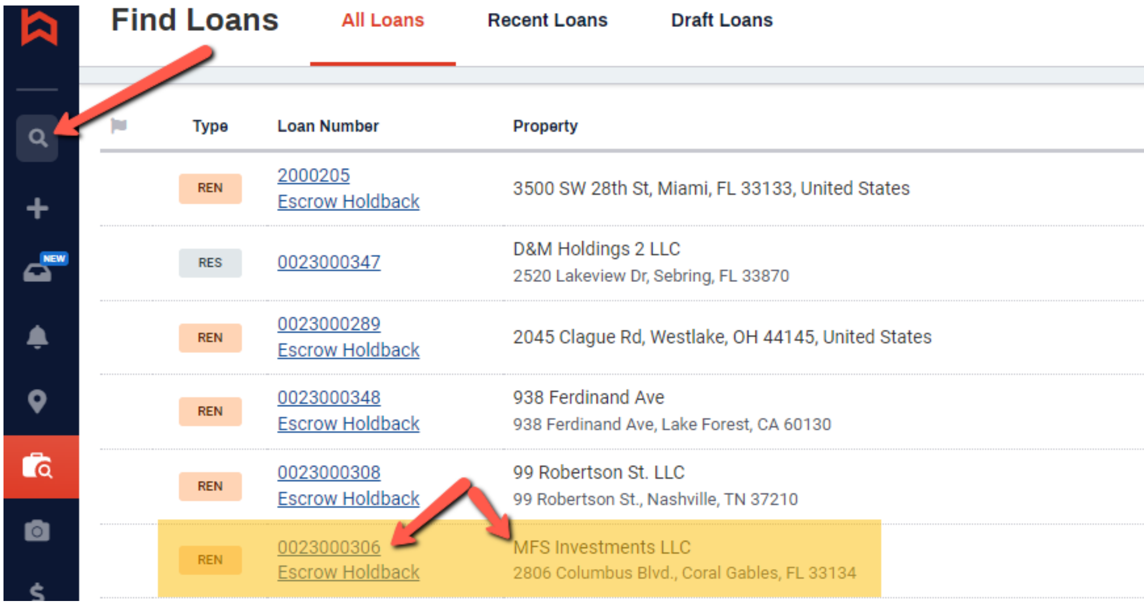



Inspection Request
11061 Swaffar Dr Dallas, TX 75228 | Trinity Inspections Services, LLC
Site Contact *
Matthew Schwab (borrower)
mschwab@schwab-industries.com
(214) 557-1467
Notify site contact of inspection date
Preferred Inspection Date *
As soon as possible
Scheduled for next available business day: Aug 09, 2022
Select a date
Request the inspection for a specific date
mm/dd/yyyy
Lockbox/Gate Code
ex. ABC123
Note to Inspector
Be sure to look around back...
Share Files with Inspector
Add Attachment
Inspection Type
Standard
Final Inspection
Cancel
Submit Request

INSPECTION REVIEW PROCESS & UW APPROVAL

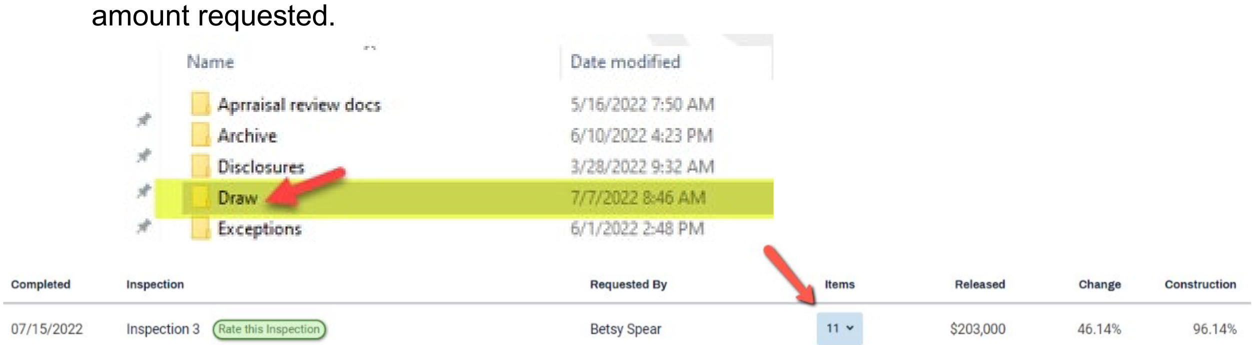
Once Inspection is completed, refer to the following steps for Asset Manager review and approval:

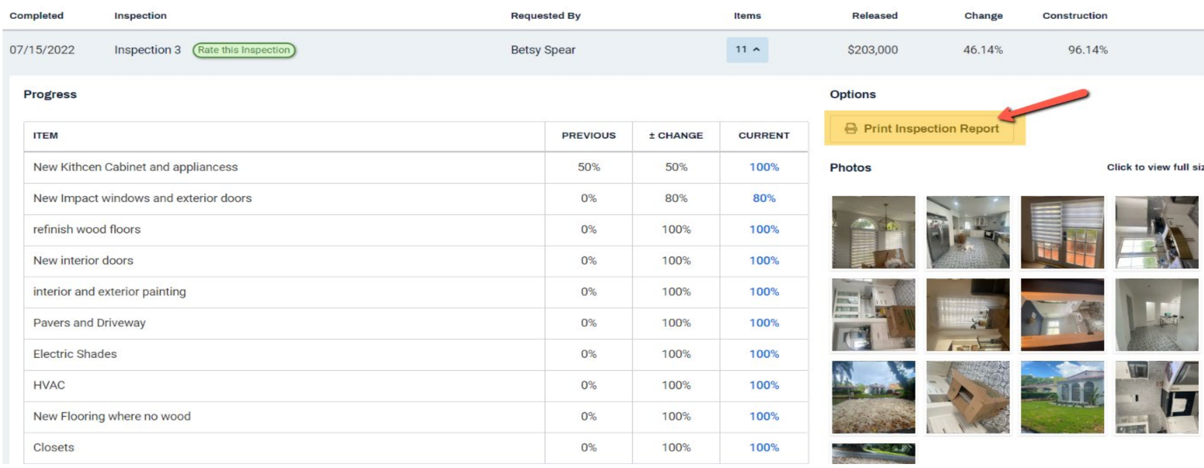
1. Find Loan in Built and click to open



2. Click on “Completed Inspections” tab to open

3. Go to inspections - Print inspection & save as PDF (save to Z: Drive – Draw Folder & Decipher).
   File naming convention: 0023000347_Draw_Draw 1_Inspections.pdf
   - Reconcile inspected line items for current percentage completed aligns with budget draw amount requested.

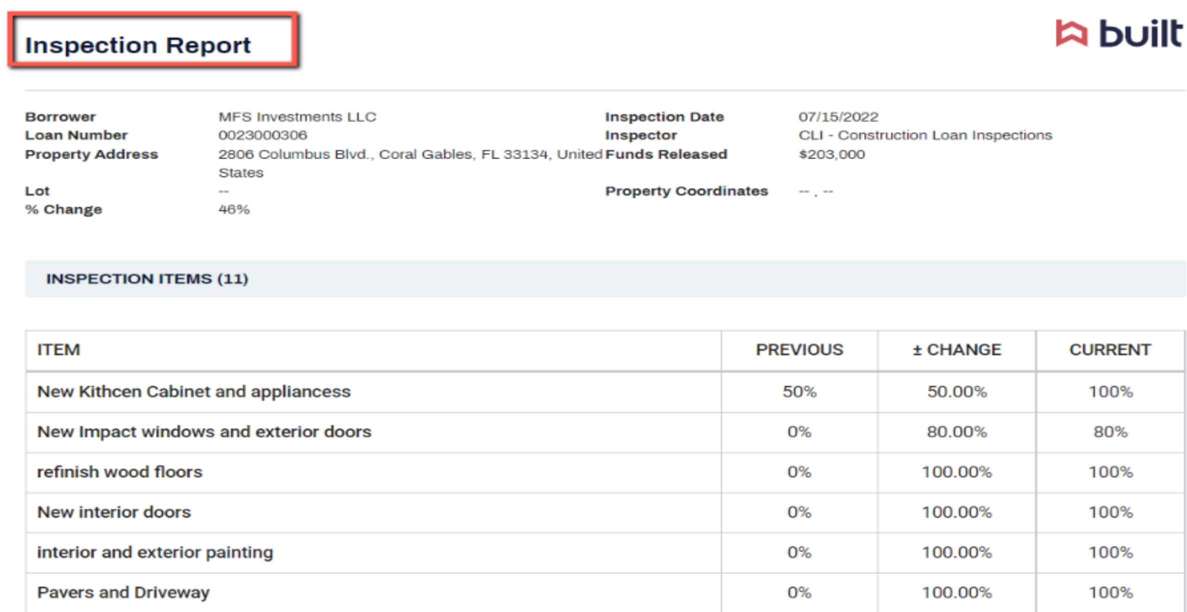




Completed	Inspection	Requested By	Items	Released	Change	Construction
07/15/2022	Inspection 3 (Rate this Inspection)	Betsy Spear	11	$203,000	46.14%	96.14%

Progress

ITEM	PREVIOUS	± CHANGE	CURRENT
New Kithcen Cabinet and appliancess	50%	50%	100%
New Impact windows and exterior doors	0%	80%	80%
refinish wood floors	0%	100%	100%
New interior doors	0%	100%	100%
interior and exterior painting	0%	100%	100%
Pavers and Driveway	0%	100%	100%
Electric Shades	0%	100%	100%
HVAC	0%	100%	100%
New Flooring where no wood	0%	100%	100%
Closets	0%	100%	100%



Inspection Report

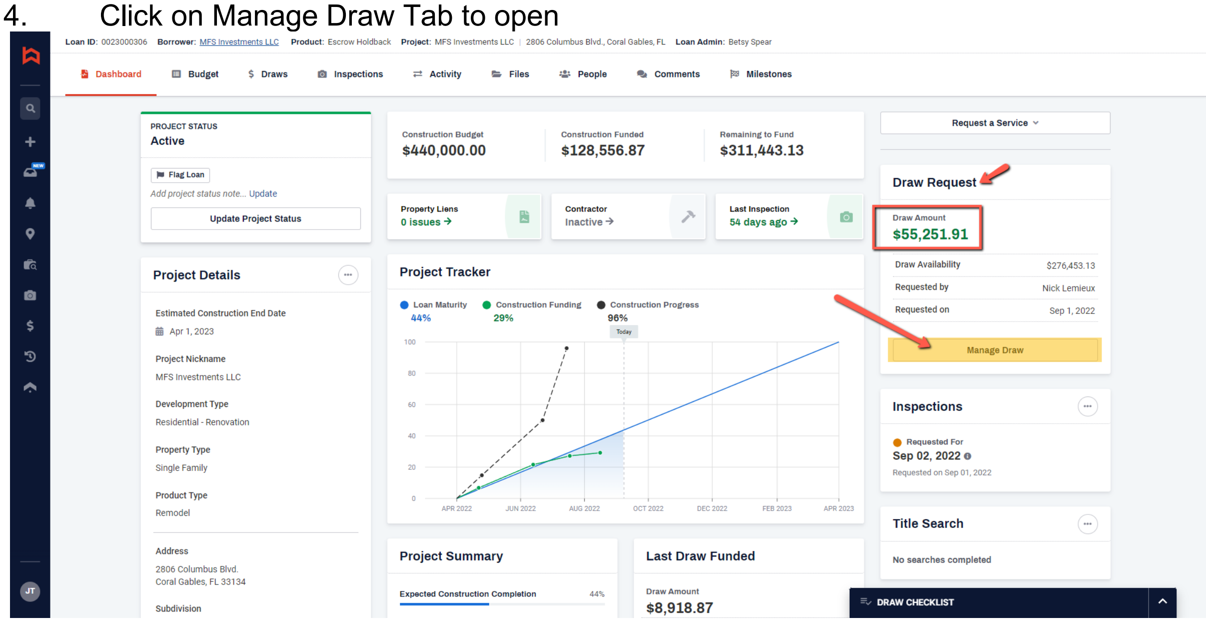
built

Borrower	MFS Investments LLC	**Inspection Date**	07/15/2022
Loan Number	0023000306	**Inspector**	CLI - Construction Loan Inspections
Property Address	2806 Columbus Blvd., Coral Gables, FL 33134, United States	**Funds Released**	$203,000
Lot	--	**Property Coordinates**	-- , --
% Change	46%		

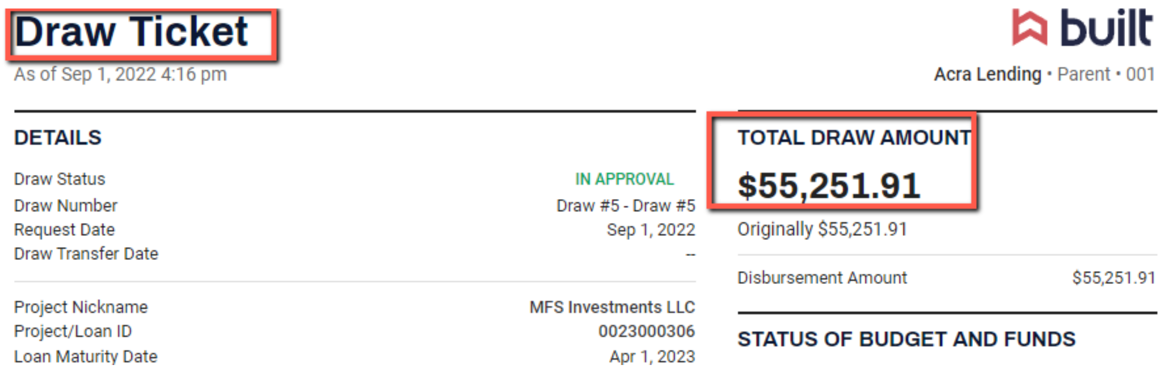
INSPECTION ITEMS (11)

ITEM	PREVIOUS	± CHANGE	CURRENT
New Kithcen Cabinet and appliancess	50%	50.00%	100%
New Impact windows and exterior doors	0%	80.00%	80%
refinish wood floors	0%	100.00%	100%
New interior doors	0%	100.00%	100%
interior and exterior painting	0%	100.00%	100%
Pavers and Driveway	0%	100.00%	100%

4. Click on Manage Draw Tab to open



5. Print Ticket as PDF (save to Z: Drive – Draw Folder & Decipher).
File naming convention: 0023000347_Draw_Draw Ticket 1_inspections.pdf



6. Email Asset Manager requesting Loan Draw review and Approval
   - Make sure draw amount matches throughout (Budget, Draw ticket)
   - Supporting documents uploaded to Decipher

7. All documents must be uploaded via Decipher/Built – to include but limited to the following:
   - Inspection Report
   - Draw Ticket
   - Draw Request Form
   - Wiring Instructions
   - Budget
   - Receipts/Invoices (Paid in Full)
   - Permits
   - Lien Waivers

8. Once Asset Manager approves Draw, Asset Manager to click on "Approved" via the Manage Draw tab.

9. Submit Wire request with Funding Manager to include:
   - Tollgate Approval
   - Wiring instructions confirmed with Borrower
   - Manager to send wire request to Credit Suisse to include funding tape
   - Process Transfer Approved Draw by moving to "Process Transfer"