

Experience Level	Loan / Project Type	LTAIV	LTC	LTARV
Institutional 10+ (\$10m)	Light Rehab - (Purchase* / Refi)	90* / 85	95* / 90	75
	Heavy Rehab	85	85	75
	GUC	85	85	75
	Bridge (No Rehab)	80	80	N/A
Experienced 3-9 (\$5m)	Light Rehab	85	85	75
	Heavy Rehab	85	85	70
	GUC	85	85	70
	Bridge (No Rehab)	75	75	N/A
No Experience 0 - 2 (\$0m)	Light Rehab	75	80	70
	Heavy Rehab	N/A	N/A	N/A
	GUC	N/A	N/A	N/A
	Bridge (No Rehab)	70	70	N/A

*Purchase - LTAIV greater than 85 AND/OR LTC greater than 90 reviewed case by case

Pricing Matrix			
Base Rates		Loan Level Adjusters	
Light Rehab	9.250	Heavy Rehab	9.500
Bridge (No Rehab)	9.250	GUC	10.000

*Midstream to be reviewed case by case

Loan Limits		Credit Limits	
Min Loan Amount	\$125,000	Min FICO	660
Min Loan Amount (GUC)	\$150,000	Min FICO (w/o Full Guaranty)	700
Max Loan Amount	\$5,000,000	Mortgage History	0x60x24 & 1x30x24
Max Cash-Out	\$500,000	BK Seasoning	60 Months
Max Cash-Out Bridge 65% LTV	\$1,500,000	Foreclosure Seasoning	60 Months
Max Cash-Out Bridge LTV <= 50% LTV	Unlimited	DIL/Short Sale Seasoning	60 Months
Cash-Out Bridge is not allowed for no experience borrowers		*Max Guarantor Exposure	\$10,000,000

*Greater than \$10M is permitted with an Approved Global UW

MSAs		
5% LTC Reduction	Ineligible Areas	Elevated Risk Areas*
Properties in these MSAs are subject to a 5% reduction to LTC: Bay Area, CA; Austin, Boise, Baltimore, Chicago (suburbs), Detroit, Sacramento, and San Jose (case-by-case basis for prelim approval). Eligible properties in state of FL are subject to a 5% reduction in LTC/LTARV & LTAIV on no-rehab bridge loans.	Western Florida including Port Charlotte, Cape Coral, Lehigh Acres, NYC 5 Boroughs, and Chicago (city limit)	Jersey City, Philadelphia, NYC (suburbs) and Texas (case-by-case for YLM prelim approval)

* Submit for YLM Prelim Approval

Overlays	
> 4 Unit Properties	Max LTAIV/LTC = 80%, Experienced only, Unit cap of 20 (ALL MF loans require case-by-case review/approval); GUC not allowed
GUC	Max Initial Draw to land = 60% (70% with issued building permits and reviewed case by case), Experienced (5+ Projects)/Institutional For 10+ unit/property projects - see *GUC Development Project Overlay
GUC Development Project	Defined as a project w/ 10+ units where the property types are SFR 1-4 family or a New Condo project Max LTC/LTV of 80% Min 700 FICO Institutional Experience required FL/TX allow on case-by-case basis Commercial Appraisal required with full market analysis List of additional documentation required on a commercial project of this scope: - Plans - Permitted drawings preferred - Development budget with soft & hard cost breakdown - Phase I Environmental Site Assessment (ESA) - Zoning confirmation (approval by city for project/plan)
Max Guarantor Exposure	\$10M outstanding. If non-guarantor owner 20%+ can be included in total calc. Reviewed on case-by-case basis, additional UW items will be required including, but not limited to, Global UW documents (see Appendix A for specific details)
FICO	If < 680, borrower must be experienced and loans are subject to 10% reduction to each of LTC/LTAIV/LTARV; Cash out not allowed
Value	Days on Market Avg is < 180 and minimum 25% density If property is in a declining market, there is a 10% reduction to each of LTC/LTARV At Churchill's discretion, leverage may be based on a lower CH valuation and/or an additional 3rd party valuation may be required If property has been listed, listing details (past and present) will be considered in value determination If loan amount is greater than \$3M, a second valuation (defined below) is required to support value w/in 10% variance. If the variance is greater than 10% on either, a full 2nd appraisal is required and the lesser of the 2 values will be used.
0 Experience	If the borrower has 0 experience, the LTC is maxed at 30% budget/AIV

Definitions				
As-Is Value (AIV)	Purchase: lesser of Purchase Price or Appraisal AIV Refi: appraisal AIV (lesser of purchase price or AIV if acquired within 6 months of Origination date)			
After Repair Value (ARV)	Appraised estimated sales value after improvements			
Direct Costs	Labor, construction fees, materials			
Hard Costs	AIV + Direct Costs			
Value-Add Soft Costs	Indirect construction + Interest Reserve + transaction costs (ex: Engineering, environmental, legal fees, permits, legal)			
Total Project Cost	Hard Costs + Soft Costs			
Loan to Cost (LTC)	Total Loan Amount / Total Project Cost			
Loan to As-Is Value (LTAIV)	Origination Date Disbursement / As-Is Value			
Light Rehab	Rehab costs are less than 50% of the As-Is Value (as defined above) If work being done increases GLA by 25%+, loan will be treated as Heavy Rehab			
Heavy Rehab	Rehab costs are greater than or equal to 50% of the As-Is Value (as defined above)			
Secondary Valuation	Acceptable formats includes CDA, AVM, Hose Canary report (or similar), Exterior BPO, Appraisal			
Cash Out	Borrower receives net proceeds that exceed the lesser of 2% of the Total Loan Amount of \$10,000 (HUD should reflect subject property payoffs, partner buyouts and subject property debt only)			
Delayed Finance	Financing a property without existing debt within 6 months of purchase			
Program Guidelines				
Products	Fix & Flip, Bridge, Ground up Construction			
Loan Terms	9 - 18 months, fixed rate interest, interest only			
Extensions	IC Approval only			
Lien Type	Valid first mortgage or deed of trust			
Eligible Property Types	1-4 Residential Multi-Family (on exception basis, no GUC permitted) Condos considered on a case-by-case basis PUD & Modular (high quality and secured only)			
Ineligible Property Types	<ul style="list-style-type: none"> - Rural Property - Cooperative - Agricultural - Raw unimproved land - Log Home - Indian/Tribal Property - Rent Control Regulated - Non Real Estate - Land Trust - Mixed Use - Ground Lease - Mobile Home - Timeshare - Property in litigation - Private Transfer - Hawaii Properties in Lava Zone 1 or 2 - Log Home - Live-Work Project - Assisted Living - Condotel - Boarding House - Geothermal Home - Tiny Homes (< 600 - Multi-fam with units > 20 - Lease Estate - Industrial Zoning - Student Housing - Deed Restrictions - Fractional Ownership - Subject to Purchase Option - Acreage is > 5 Acres 			
Accessory Dwelling Unit (ADU)	Each ADU will count as one unit. If the total unit count, inclusive of ADUs exceeds 4, additional review is required If the county has specific parameters, including liens on the subject property, CH must approve in advance			
Bridge (no rehab)	<p>If property has been or is listed for sale in the last 12 months:</p> <ul style="list-style-type: none"> - Listed history will be evaluated and loan may be subject to a leverage reduction and an additional 3rd party valuation - Properties listed for 120+ days require an additional 3rd party valuation and a minimum 5% leverage reduction <p>Targeted DSCR of 1.00 (subject to IC approval - DSCR calculated as: Monthly Rental Income / Monthly PITIA)</p> <p>If cash out - 5% leverage reduction applies & if TLA is greater than \$2M, exception approval is required</p> <p>Certificate of Occupancy is required (exceptions reviewed case-by-case and require approval)</p>			
Ground up Construction	<p>Upfront budget review & permit validation report are required</p> <p>Midstream construction requires an inspection report to confirm costs spent to date</p> <ul style="list-style-type: none"> - If project has been stalled and no work has been done in 3 months, the loan is ineligible 			
Refinance	A 12 month VOM is required - loan must be current and not more than 1x30 (exceptions on case-by-case basis)			
Borrowing Entity	Eligible: A legal entity domiciled in the United States including - LLC, LP, Corporation, Sole Proprietor or Revocable Trust Ineligible: Natural person (non-entity borrowers), irrevocable trusts, cooperatives and community land trusts			
Guaranty	<p>Full recourse guaranty, in most cases, is provided by any owner with 20+% ownership</p> <p>Minimum ownership required to Guaranty is 51% (exceptions reviewed by IC on case-by-case)</p> <p>A Guaranty is required from any individual where liquidity, FICO, or experience is used to qualify</p>			
Residency	US Citizen, Permanent Resident, Non-Permanent Resident Alien and Foreign Nationals If Foreign National - must provide current (non-expired) Passport and a valid VISA (other details may be required on a case-by-case basis)			
Borrower/Guarantor Experience	<p>Track record detail inclusive of all completed projects, REO currently owned and details of current projects</p> <p>Qualifying track record must include:</p> <ul style="list-style-type: none"> - At least one verified exit of a like and kind project is required (exceptions require strong mitigating factors and/or possible - Individual must be a Guarantor to count in track record - Exit project is w/in 36 months of Origination date - Entity/Individual must have been on title <p>Other qualifying track record details:</p> <ul style="list-style-type: none"> - If using General Contractor experience - provide proof of projects completed, including contract/permits, and copy of GC license (if GC is not an owner, GC must provide a Collateral Assignment of Construction Contract, not applicable on bridge) - If using JV experience - must demonstrate the Entity/Individual contributed in a role outside of capital contribution - If the property is listed for sale AND the Certificate of Occupancy is provided, it can count towards the # of Projects and will NOT count towards total value - Rental properties, must be verifiable with an active lease to count towards any experience (including bridge loans with no rehab). For rehab loans - rental properties must ALSO include verifiable rehab work has been completed to count towards experience <p>Ineligible track record types - Vacant lots, midstream projects, subject property, personal residences, non resi, unconfirmed rentals</p>			

Liquidity / Reserves	<p>Required on the subject loan:</p> <ul style="list-style-type: none"> - Cash to close - 6 months of payments (less any interest reserve) - 10% of any rehab budget financed - Any portion of the budget that is NOT financed in the loan <p>For any Guarantors who have active loans in Churchill's portfolio:</p> <ul style="list-style-type: none"> - 3 months of payments for all loans (less any interest reserve), total based on UPB at time of Origination <p>Cannot use identical bank statement for multiple loan closings within the month</p>		
Gross Potential Rent (GPR)	<p>Lessor of rent from lease in place or market rent</p> <ul style="list-style-type: none"> - If using in place rent - 1 month proof of rent receipt is required - If using market rent - must be included in valuation report or 3rd party vendor 		
Net Cash Flow (NCF)	Applicable when exit strategy is 'Rent'. NCF = GPR - (OpExp% * GPR)		
Operating Expense Percent	ARV (Rehab Loans) or AIV (Bridge)	OpExp%	Min Debt Yield
	< \$150k	40%	7%
	\$151-\$500k	35%	6%
	>\$500k	30%	5%
Borrower Equity	Minimum of 10% of Total Costs		
Borrower Exit Strategy	<p>If the exit strategy is "sell", net profit estimate to be greater than \$0.00 (exceptions on case-by-case basis)</p> <p>If the exit strategy is "rent", estimated exit DSCR minimum of 1.00x.</p>		
Cross Collateralized Loan	Must include partial releases at a release price at least 120% of the allocated UPB (or other amount as approved by IC)		
Assignment Fees	<p>To include the Assignment fee in loan financing, it may not exceed lesser of 10% of purchase price or \$40,000 and is included in</p> <p>If the subject sold w/in 24 months, transaction may be treated as wholesale at CH discretion</p>		
Non-Arms Length Transactions	Considered on case-by-case basis and require exception approval		
Age of Documents	No older than 90 days from Origination date		
Origination Fees	Origination Fees may not exceed 4%		

Borrower Requirements	
Borrower Docs	<p>Application for all Guarantors, inclusive of declarations and citizenship status</p> <p>Valid (non-expired) Driver's License/Government issued ID</p> <p>Background reports for all Principals with 20%+ ownership, the Borrowing Entity and all sub-entities (excludes any Entity that was formed < 90 days from Origination)</p> <p>Credit report on all Principals with 20%+ ownership and/or anyone signing a Guaranty</p> <p>2 months liquidity statements</p> <p>Borrower experience & REO</p> <p>Ownership documentation is required on all sub-entities of the borrowing entity (Operating Agreement, Certificate of Shares, Trust Entity Docs (required for borrowing entity)</p> <ul style="list-style-type: none"> - Operating Agreement - Articles of Organization - EIN (IRS Form or W9) - Certificate of Good Standing - Certificate of Formation - Signing Authority Doc (if applicable)
Background Report	<p>Ineligible if the borrower has been convicted of a felony and / or a misdemeanor conviction related to financial or fraud related</p> <p>The Borrower is generally free from material open judgments and material pending litigation</p> <p>Google search for Entity and all Owners must be completed, confirming no current financial or criminal issues. Final approval subject to IC approval</p>
Liquidity Statements	<p>Most recent two (2) months consecutive statements, quarterly statements or similar documentation is required for each account being used to qualify and Borrower/Guarantor must have access to account</p> <p>Any large deposit must be sourced (defined as a deposit amount outside of typical amounts)</p> <p>Investment accounts are subject to a 40% haircut</p> <p>Ineligible accounts include, but are not limited to, Crypto currency, gift funds, additional lien on the subject</p>

Property Requirements	
Appraisal	<p>FIRREA compliant appraisal report either from an Appraisal Management Company (AMC), or if not, a CDA is required with non-AMC report</p> <p>If a CDA is provide for additional value support, the variance must be within 10% or an additional appraisal is required</p> <p>Appraisal should include:</p> <ul style="list-style-type: none"> - Report must list the Originator as the Lender (transferred appraisals are not permitted) - Valuation must indicate the "As-Is" value and the "After Repair" value, where applicable - Comparable properties should be within 1.5 miles of the subject property - At least 3 comparables required that support all values provided - Appraiser must review purchase contract, budget and/or plans as applicable <p>Secondary valuation (AVM or other) may be required and qualifying value(s) may be adjusted, at Churchill's discretion</p> <p>Ineligible Reports: GP Appraisals, reports not in the Originators name</p>
Flood Cert	<p>Provided for each property and dated within 90 days</p> <p>If property is located in a Flood Zone, the proper flood insurance is provided</p>
Budget / Plans / Specs / Permit	<p>Itemized budget for each property/unit</p> <p>Approved plans for all GUC and midstream construction loans</p> <p>Permit validation report required on all GUC above 60% LTAIV, midstream & heavy rehab projects</p>
Budget Feasibility/Review	<p>A budget review is required on all GUC loans</p> <p>A budget feasibility report is required on all Heavy rehab loans</p>
Inspection Report	<p>A recent inspection report is required for all midstream construction projects or for validating costs spent to date</p> <p>See Asset Management Manual for post-funding inspection type requirements</p>

Preliminary Title	Dated within 60 days of origination Title insurance amount covers the total loan amount and reflects the Originator, inclusive of ISAOA/ATIMA Marked up copy showing final title policy will be clear If Refi, the following applies: - Borrower is currently vested as the owner (if not, a copy of the QCD or Warranty Deed is provided) - All liens are addressed and a payoff, VOM, and unexecuted release has been provided No mortgages, deeds of trust and/or liens shall be shown as existing in subordinate position on FTPOL
Purchase Agreement	Fully executed purchase agreement showing the borrowing Entity as the purchaser If assignment exists, copies of both purchase agreements are required Seller paid closing costs are not permitted. If included in the contract, the Purchase Price will be reduced by the SPCC
Other	HUD / Closing Statement for refinances that were purchased w/in the last 12 months Exit Strategy = Rent - 1007 or other 3rd party market rent report is required
Insurance (all types)	Applicable insurance and coverage provided as needed for project, effective prior to or on origination date Borrower Entity is listed as insured Originator name includes ISAOA/ATIMA language Lender must be named as additional insured on the policy
Property Insurance	Coverage must be the lesser of full replacement cost or the loan amount, inclusive of any renovations All-risk or special form policies are preferred
Builder's Risk Insurance (if applicable)	Required when transitional period involves significant renovations or rehab Coverage should equal the completed project's replacement cost or loan amount Policy should remain in place until construction/rehab is completed If construction has not started at time of origination, builder's risk is required prior to the first draw
General Liability Insurance	At least \$1 million per occurrence and \$2 million in aggregate
Flood Insurance	Required if the property is located in a FEMA-designated Special Flood Hazard Area (SFHA) Coverage must cover the lesser of the replacement cost, loan amount or the maximum available under the National Flood Insurance Program (NFIP) If construction has not started at time of origination, flood insurance is required when the foundation has been poured
Windstorm or Hurricane Insurance	Required when property is located in an area prone to windstorm or hurricane activity (if not included in standard property policy)
Condo Insurance	Referred to as an HO-6 or a "Walls In" policy that is in place to protect interior and contents of a condo The HOA insurance policies typically only cover the complex's common elements or shared structures.
Other Insurance (as applicable)	Earthquake Insurance: For properties in high-risk seismic zones Terrorism Insurance: For properties in high-risk urban areas or by lender discretion Pollution Liability: If environmental risks are a concern (e.g., if the property's prior use poses contamination risk)

Closing Document Requirements				
Closing Package	Final HUD-1/Settlement Statement Promissory Note Mortgage/Deed of Trust Guaranty Loan for Business Purpose Affidavit	Loan Agreement Environmental Indemnity Title Commitment/Final Title Policy Closing Protection Letter General Warranty Deed or Quit Claim Deed (if applicable)	Wire Affidavit (if rehab holdback)	
Allonge & Assignment	Must be without recourse to Churchill Funding I LLC Documents must match Note/Mortgage			
Approved 3rd Party Vendors & Relationships				
Valuation	1-4 Family			
	Service Link Single Source Accurate Group Other nationally accredited AMCs are acceptable	Fastapp ValuationLink Incenter AM	Red Bell / Radian Appraisal Nation Pro Teck	Clear Capital Mercury Network LRES
Property Inspection / Budget Review	Multifamily / Mixed-Use			
	BBG JLL	Bowery Valuation Newmark Knight Frank	CBRE Colliers	Cushman & Wakefield Valbridge Property Advisors
PCA / Environmental Screenings	AMS Commercial Real Estate CFSI Loan Management Granite Build Analysis Partner ESI	Buildzig CM&D NWCC Newbanks	Built Contech Trinity Newmark Knight Frank	CCDI CREtelligent Varian NVMS
APPENDIX A				
Global Underwriting Requirements	Required for Borrower/Guarantor with \$10M + exposure Comprehensive Project Listing (full REO schedule), of all properties owned with the following for each - Summary property listing (address, date acquired, acquisition cost, status, exit plan, etc.) - Total costs spent to date and remaining - Financing summary (total debt, UPB, interest rate, maturity, remaining rehab holdback, if applicable, completion timing, etc.) Entity Organization Chart - complete details outlining all entities that comprise the complete Entity structure (should tie to the REO schedule provided) Additional items as requested by Churchill's credit team			