



PROMETHEUS

- PRIVATE LENDING -

PRODUCT MANUAL

STABILIZED BRIDGE

Investment Property Loan

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KEY RATIOS

Maximum Loan to Cost (LTC)	See Leverage Matrix
Maximum Loan To Value	Must be seasoned 6 months to use LTV
DSCR Constraints	See Leverage Matrix
Financed Interest Reserves (IR)	Subject to lender discretion; must meet 75% LTV Eligibility matrix.

GENERAL INFORMATION

Minimum Loan Amount	\$50,000
Maximum Loan Amount	• \$3,000,000 subject to underwriting pre-screen • See Property FAQ for common scenarios where we will accept loan > \$IM
Minimum Number of Units Per Property	1
Maximum Number of Units Per Property	4
Permitted Project Types	Purchase or refinance
Permitted Property Types	Eligible: • Mixed-use occupied only • Single family residence • 2+ unit multifamily • Condominiums • Townhomes • Residential developments (pUD) ineligible: • Mixed-use properties • 5+ unit multifamily properties • Condos • Co-ops • Mobile/manufactured housing • Commercial property • Care facilities/long-term homes • Properties with unpaved/dirt roads
Geographic Region	All US except VT; UT; OR; SD; ND; specific requirements in NV and AZ.
Minimum Property Size	• Single Family Residential: > 700 sqft. • Condo: > 500 sqft. • Residential 2+4: > 500 sqft per unit • Lot Size (Acres): > .5
Amortization	Interest only; balloon payment at maturity
Loan Term	12 months
Loan Term Extension Options	Up to 50% of original loan term (for fee)
Points	• Maximum total points (broker + lender) allowable is 5 • Broker points must be < lender points
Prepayment Penalty	No minimum interest earned
Attorney Opinion Letter	An attorney opinion letter will be required on the following loans even if it is not an attorney state: • NAR/H: > \$50k loan amount • CA/H: > \$2M loan amount • All other states: > \$IM loan amount

BORROWER AND GUARANTOR

Borrowing Entities	- Limited Liability Company (LLC) or Corporation - Nonprofits/charitable organizations (Green Card Holders)
Eligible Borrowers	- US Citizens - US Legal Permanent Residents (Green Card Holders) - Foreign National (see requirements below)
Foreign National	- Valid passport - Valid US Visa (if not subject to visa Waiver Program, Travel and Student Visas not permitted) - US FICO Score (if personal guarantee (PG) only)
Recourse/Guaranty Structure	- At least 51% of the entity must guarantee - Full recourse - Cash-Out Refinances: all members must guarantee
Minimum Guarantor FICO	650 (taken from highest experience score)
Credit Requirements	- 650 minimum FICO report no older than 180 days - Mid score 1-100% of the lowest score available; low score if 2 scores are available - If 5 tradelines (none of which being a mortgage account), 6 month IR required - Bankruptcy Discharge Date must be > 4 years from discharge date - Foreclosure must be > 4 years from completion date - If bankruptcy/endorsement foreclosure between 4 years & 7 years - 3 month IR required
Mortgage Lates	> 1 mortgage late in past 12 months: Subject to lender discretion
Derogatory Accounts, Credit Report	Mortgage and mortgage related tradelines (HELOC); Past due > 50 not permitted Non-mortgage related tradelines: Past due > \$1K subject to lender discretion Medical related derogatories subject to lender discretion
Liens and Judgements	Within 7 years and > \$10,000 must be paid in full Within 7 years and > \$10,000 subject to lender discretion Child support, if applicable, must be paid in full prior to closing
Lawsuits	- Pending civil suits, small claims, family related, closed lawsuits subject to lender discretion - Pending non-civilian - small claims/non-family related lawsuits not permitted
Federal or State Tax Lien	Outstanding Federal or State Tax lien: - Payment has accepted up to \$50,000 with proof of most recent 2 months payments - \$50,000 must be paid in full prior to closing
Guarantor Background Requirements	- Financial Crimes & Serious Felonies not permitted - Non-traditional criminal subject to lender discretion - Low level drug offenses subject to lender discretion
Guarantor(s) Minimum Net Worth Requirement	Minimum net worth of 10% of the loan amount
Guarantor(s) Experience Requirement	See Leverage Matrix

BORROWER FAQ/SCENARIOS

FICO Score and Experience	when analyzing FICO in the event of multiple borrowers, underwriting will look at the borrower with the most experience and use their respective FICO in determining leverage/loan structure. It is common for experienced investors who have low (> 680) FICO to utilize the higher FICO of a more inexperienced/non-experienced borrower. It is commonly seen that experienced investors who have low FICO are potentially in financial distress.
Experienced Borrower Entering New Market	Experienced borrowers entering new markets are acceptable subject to the below criteria: New markets come with heightened risks due to borrower unfamiliarity with local regulations, home prices, neighborhood idiosyncrasies, and simply put, local experience. It will help to provide reasoning/explanation as to why the borrower is entering a new market. Underwriting will look for the below items, especially as to why the project will be executed/managed: - LOE for new market - FICO > 680 - 5% Haircut to max allowable initial LTC (per matrix)
Bail Out Loans	Bail out loans can be summarized as a lifeline for borrowers who are stuck or unable to exit current financing due to a troubled project, high interest rate/fee debt, or borrowers having credit financial issues. Stabilized Bridge product is a common destination for new borrowers seeking to exit either an active default scenario or predatory lenders given the pure bridge loan underwriting philosophy. If the subject transaction contains any of the following, it will be classified as a bail out loan and therefore, lender may deny the application given heightened risks of providing such funding to borrower. - FICO > 660 - FICO with recent 8/FIC (0-7 years) - Auto payoff containing default interest, default fees, extensions fees, maturity default, late fees, attorney fees, protective advances, legal fees etc. - Liens pending on subject property - Non-economical/subject project (profit loss or >11 DSCR) - > 5% liquidity metric Exceptions to liquidity may be granted subject to the following criteria: - FICO > 680 - Recent 8/FIC > 680 - Auto payoff containing default interest, default fees, extensions fees, maturity default, late fees, attorney fees, protective advances, legal fees etc. - Liens pending on subject property - Non-economical/subject project (profit loss or >11 DSCR) - > 5% liquidity metric
Wholesaler/Assignment Fees	While wholesalers and assignment fees are a common occurrence in bridge loans, Lender underwriting will look to ensure arms length and that the wholesaler/assignment is obtaining an investment property at a discount to market value. Ideally, a wholesaler/assignor is obtaining a property due to a distressed homeowner and therefore, the wholesaler/assignor should be sourcing from low T (preferred sourcing method) or Wholesaler/Assignment Fees, Late Fees, Attorney Fees, Protective Advances, Legal Fees not to exceed 1% of UPB on payoff - Should not be > 10% of underlying purchase price - Profitable project or > 11 DSCR - > 5% liquidity metric

PROPERTY AND SOURCING

Exit Strategy	See Leverage Matrix and PropertyFAQ for details
Level 1 Submarket Adjustments	Must have > 680 FICO AND Be Experience Tier > 3:
Level 2 Submarket Adjustments	States: Not applicable Counties: Cook County (IL) except for Northern Suburbs*, Hennepin County (MN), Ramsey County (MN), Wayne County (MI), Genesee County (MI), Lake County (IL), Baltimore City (MD), Philadelphia County (PA), Shelby County (TN), St. Louis City (MO), St. Louis County (MO), Chicago County (IL) Cities: Not applicable
Level 3 Submarket Adjustments	Not currently accepting submissions in the following four Florida counties: - Orange County, Florida - Pinellas County, Florida - Hillsborough County, Florida - Broward County, Florida
Rural, Illiquid, Outlier Value, Unique, or Luxury Properties	Not permitted

PROPERTY FAQ/SCENARIOS

Properties With Significant Price Increase/Recent Sale Within Last 3 Years	Properties that have sold for less than 3 years prior that do not have either: A) proof of renovation or B) appraisal value supported by comps/bal market trends within a 3 year period. In these cases, underwriting will look at the most recent sale price and use their respective FICO in determining leverage/loan structure. It is common for experienced investors who have low FICO to utilize the higher FICO of a more inexperienced/non-experienced borrower. It is commonly seen that experienced investors who have low FICO are potentially in financial distress.
Seller Credit	Lender underwriting accepts seller credits/concessions but not what the seller credit/concession level is for (repairs/closing costs/etc). Structure initial loan amount net purchase price with most recent 2 months payments
Entity to Entity Transaction Type	Entity to entity bridge transactions are difficult to underwrite due to the business nature of the transaction. A key part of bridge underwriting is confirming arms length between buyer and seller. In an entity to entity transaction, there is a possibility that the seller and buyer know each other. Questions that Lender underwriting will ask in such situations: What did the selling entity pay for the property and why are they selling? - Reason for all sales in title history to ensure arms length - Reason for selling entity due to distress/inability to complete investment project
Non-Arms Length Transaction Related Party Transactions	- Previous sales price will be strongly considered to determine loan amount - Previous sales price will be strongly considered to determine loan amount
Properties With Previous Sales + Price Increase Within Previous 3 Years	Previous sales price will be considered to determine loan amount unless the following are validated by underwriter: - Appraised value supported by price/trend/bold comparables in sub-market for similar properties

PROPERTY AND SOURCING

Value Dispute with Appraised Value	Under "Resources > Doc Library > General" there is an appraisal dispute form to fill out and send to the Tamarisk chatroom.
Selecting Appraiser	Appraisers are selected at random by Tamarisk. A preferred list of appraisers exists in certain areas that can be requested.
Condo Questionnaire	Appraisal and condo questionnaire must agree
Non-DSCR Exit	See Leverage Matrix
Seasoning	Must be owned at least 6 months to go off current value instead of cost basis

BORROWER EXPOSURE MONITORING/SURVEILLANCE

Total Loan Amount/Exposure > \$10M	Coming Soon!
Total Loan Amount/Exposure > \$15M	Coming Soon!
Total Loan Amount/Exposure > \$20M	Coming Soon!

75% ARLVY ELIGIBILITY - Not currently available

EXPERIENCE and LEVERAGE Quick Reference

High-Level Specs	Tier	1	2	3	4	5
Add'l Details	Page 17	Page 18	Page 19	Page 19	Page 19	Page 19
Experience Required (# of Fix and Flip or Rentals)	0	1-2 properties	3+ properties	3+ properties	3+ properties	3+ properties
Minimum Property Condition	C2	C4	C4	C4	C4	C4
Minimum FICO	680	680	660	660	660	660
Max LTC	80%	80%	90%	90%	90%	90%
Max LTV	70%	70%	70%	70%	70%	70%

EXPERIENCE REQUIREMENTS

• 3 year look back period from date of loan submission	
• Experience must be in the same MSA or neighboring geographic region	
• Current occupancy required	
• Renovations can be verified for past flips using available purchase and sale prices and time to flip. For properties that were renovated and refinanced, we use the property's value at the time of refinance to verify possible value added through renovations. In these cases, we check that the sale price of the property reflects the purchase price plus added value due to the subject renovation budget.	
• Scoring system only applies for renovation budgets up to \$500,000. Budgets above \$500,000 need further evaluation from underwriting to assign appropriate leverage and loan terms.	
• Active real estate agents/brokers, CJs/home improvement contractors with valid licenses automatically qualify for Tier 2. If they have additional property investment experience, they get one Tier upgrade from our automatically calculated Tiers based on their investment experience	
• CJs can use projects on non-owned properties to count as experience with proof of permits in their owned license/valid entity names.	
• Executed HU/DL loan documents from purchase or refinance	
• Executed Filing Documents on title for the property	
• Tax Returns/IRS 1040 on title for the property	
• LOE (Lease) or comparable leasehold agreements on title for the property	
• Proof of renovation completed via appraisal pictures, inspection/draw reports from previous lender (subject to lender discretion)	
• Change in sale price between purchase and sale (e.g. 10% increase in sale price = 10% increase in loan amount)	
• Construction/renovation permits issued under the licensed entity owned by borrower	
• Construction/ren	