



Tuesday, April 17, 2018

Dear Home Builder,

My name is William Lawson, a loan officer with Metropolitan Commercial Mortgage Funding. We are a private commercial real estate investment banking firm. We manage a privately funded, short-term, construction loan program that provides financing for residential construction projects:

This program is designed to provide capital to build spec inventory of single family homes that can be sold at a profit. The build-out, when completed will be sold at a sufficient profit to pay off our investment, and to satisfy the builder's profit goals.

This funding program combines a "conventional lending" with a "silent partner" structure. This is what allows us to focus more on the upside potential of the project itself, and not rely too heavily on the borrower's financial strength. Program deviates from stringent credit, collateral, and personal guarantee that is usually required for residential/commercial borrowing in favor of a "premium" rate of return when the newly renovated/built property is sold. We do not charge upfront fees and the only out-of-pocket expenses are what is typical for a builder's due diligence.

In the process of structuring the financing, we will review, order, or obtain a title report, inspection report, construction estimate, construction drawings with draw schedule, and a certified real estate appraisal that sets forth either the "subject to", or the "after repair" value of the newly renovated/built home.

If and when supported by the appraisal, the loan proceeds can cover the purchase of the site, the development of the site, and the vertical construction of the home. We often look to include all closing costs, loan fees, points, into the loan proceeds.

But first things first. If you have a project that has been stalled in the water, turned down by your local bank, or seems too speculative for you to bring to your local loan officer, I'd like an opportunity to provide a financing proposal for that very same project for your review. If the proposed terms are acceptable to you, then will be glad to onboard the project into our underwriting schedule for funding and closing within 30 to 45 days after the completion of our due diligence.

Please review the information in this packet and email me with any questions or scenarios that you would like to discuss.

I can be reached at by email: [William.Lawson@MetroCMF.com](mailto:William.Lawson@MetroCMF.com), by telephone directly at 601-875-0238 during normal business hours Monday to Friday. I truly look forward to working with you, and being a part of your real estate development success.

Sincerely,

A handwritten signature in black ink, appearing to read "William E Lawson Jr.", written over a light blue horizontal line.

William E Lawson Jr.  
Commercial Loan Officer

# Up to 100% \*CLTC \$100,000 - 2,000,000+ Available!

for Residential Construction and Development Projects and Subdivisions

*\*CLTC refers to a "combined loan to cost" ratio and is not to be confused with a loan to value ratio. Any proposed financing that covers up to 95% of the costs to complete the project must not exceed 60-70% of the overall total "upon completion" value of the newly-built home.*

Metropolitan Commercial Mortgage Funding is a private commercial real estate loan brokerage firm that works with developers, builders, and general contractors, that wish to acquire and develop vacant land and sponsor single-family properties as profitable resale inventory.

We provide private real estate venture capital lending that is driven by the profitable "re-sale" of the property upon completion. Our non-traditional loan program foregoes typical credit, collateral, and monthly payment obligations in favor of a premium rate of return on investment when the newly-built home is sold.

## "MODEL HOME" AND/OR "SPEC INVENTORY" FINANCING PROGRAM:

- Allows the builder to "build now" and "sell later" to motivated, cash-ready/bank qualified buyers as opposed to losing them to other builders. Increases your competitive edge, and raises your bottom-line while lowering and lowering labor costs by offering subcontractors multiple projects.
- Generates presales for small subdivisions, clusters, and planned communities of freestanding inventory can be built and financed for immediate re-sale.
- Achieve aggressive revenue goals in a predefined timeframe because of more sales/closings.
- Having models available for showing and selling creates "visible" construction activity that will attract more "on-the-spot" or "impulse" buyers.
- Generates home tours, open-houses, and create credible urgency to appeal to "conservative" buyers that won't buy sight unseen.

## DUE DILIGENCE REQUIREMENTS:

- Simple 2-Page Financing Application Form (with NO upfront fees).
- A brief "Project Summary" of the market, the sales strategy and the team members.
- Purchase Contract (or a copy of deed) for the vacant lot, a "clear" title report on the site, a final construction estimate w/draw schedule, approved plans of the proposed project, and an "upon completion value" appraisal of the proposed home.

## UNDERWRITING

- A closing date is proposed AFTER acceptance of the appraisal, inspection, construction due diligence, market analysis, and underwriting approval.
- Additionally, aggressive, successful marketing strategy to generate pre-sales.
- Loans are repaid (with interest) as the finished homes are sold off.



## METROPOLITAN COMMERCIAL MORTGAGE FUNDING, LLC

460 Briarwood Drive, Suite 400, Jackson, MS 39206 | Phone: 601-875-0238 Fax: 601-875-0247  
Email: [NewConstruction@metrocmf.com](mailto:NewConstruction@metrocmf.com)

DISCLAIMER: Any financing that is originated by MCF will be provided by private investors that would directly invest in the loan as a direct participation private real estate venture with the builder. Specific financing amounts, interest rates, terms and loan-to-value ratios are determined, underwritten, and quoted on a case-by-case basis during the application process and are proposed by the lender subject to acceptable credit, cash flow, value of collateral and debt service coverage. Interest rates and terms are entirely under MCF's control, and are subject to change without notice.





SINGLE-FAMILY NEW CONSTRUCTION PROJECT FINANCING APPLICATION

Personal Name of Applicant: \_\_\_\_\_ Day/Date of Initial Submission: \_\_\_\_\_ 20\_\_

Business/Company Name (Applicant's Legal Entity): \_\_\_\_\_ ( LLC LP CORP Partnership)

Phone: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_ @\_\_\_\_\_

Mobile/Cell: (\_\_\_\_) \_\_\_\_\_ Primary Email: \_\_\_\_\_

\*IMPORTANT! How much cash on-hand (OF YOUR OWN MONEY) is available AS OF TODAY for appraisals, inspections, legal fees, repairs, insurances, operating capital and any unplanned contingencies? \$\_\_\_\_\_.

PROPERTY AND PURCHASE DATA

The Subject Property Address: \_\_\_\_\_ Project Name: \_\_\_\_\_

City/ST/Zip: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ County: \_\_\_\_\_

Lot Purchase Price: \$\_\_\_\_\_ Purchase Type: Below-Market/Discounted Bank REO  Public/Closed-Bid Auction

R.E. Broker/Agent Owner/Seller Name: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_\_

Under contract since (MM/DD/YYYY): \_\_\_\_\_ Contract expires: \_\_\_\_\_ / \_\_\_\_\_ 20\_\_.

VERIFIABLE PROOF OF FUNDS/CASH (of your own money) available OR PAID as a down payment on the lot: \$\_\_\_\_\_

NEW CONSTRUCTION DATA

Project financing amount: \$\_\_\_\_\_

Is there a FINAL construction bid/estimate in place? Yes No If yes, how much \$\_\_\_\_\_

Is there a desired/scheduled completion deadline? Yes No If yes, what date: \_\_\_\_\_ / \_\_\_\_\_ 20\_\_

Appraised Value after Completion: \$\_\_\_\_\_ Sale Price after Completion: \$\_\_\_\_\_

PLEASE NOTE: "DO-IT-YOURSELF" NEW CONSTRUCTION PROJECTS WILL NOT BE APPROVED! If the applicant/borrowing entity is NOT a licensed, bonded, insured, general contractor in the state with the subject property is located; a NONNEGOTIABLE requirement of an independent/non-affiliated general contractor MUST BE contractually attached to the project. The GENERAL CONTRACTOR must provide all of the following to the applicant (and the borrower is required to check off) the items below:

Is the General Contractor under contract? Since Date (MM/DD/YYYY): \_\_\_\_\_

- A construction estimate w/draw schedule
 A construction contract
 Proof of state licensing
 A copy of their liability insurance coverage
 Construction drawings as they will be provided to the county permitting office
 A copy of the "filed" construction permit application

APPLICANT'S ACKNOWLEDGEMENTS

- I certify that the information contained in this worksheet is known to be true and accurate to the best of my knowledge and ability.
 I understand, acknowledge, and agree that Metropolitan Commercial Mortgage Funding will order: (1) a pre-construction property inspection report, (2) a third-party construction estimate/budget w/draw schedule and timeline, (3) an "After Repair Value" appraisal that will be endorsed to METROPOLITAN COMMERCIAL MORTGAGE FUNDING (4) a Broker Price Opinion (BPO) w/Comparative Market Analysis (CMA) in order to determine the price under which the house can be re-sold for.

Print Name: \_\_\_\_\_ Signed: X \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ 20\_\_

FAX THIS COMPLETED FORM TO: 601-875-0247