

# LPLN, LLC

4607 Charlotte Highway, Suite 1  
Lake Wylie, SC 29710  
803-701-1005

## **Borrowers Rehab Loan Disclosure**

Below is an outline of certain terms and conditions you need to know. It is in no way a complete list. Once you have reviewed the following information, please sign and return so we may continue processing your loan.

### **PURPOSE OF THE LOAN**

I understand that the purpose of this loan is to provide the funds for the purchase and repair of investment property only; that the security of the loan is real property but this is not a loan on my current or future residence. I understand that this rehab loan is not final financing on the property; that it is a "bridge loan", or short-term, temporary financing until the property is sold or refinanced or until it matures, whichever comes first.

### **BUILDERS RISK INSURANCE**

A builder's risk insurance policy is required, naming LPLN, LLC and/or assigns as the loss payee, prior to closing.

### **OVERVIEW OF TERMS**

The interest rate is fifteen (15)% percent. There is a charge of five (5) points in addition to standard closing costs. Although the loan is written for a term of six (6) months, there will be a two (2)% percent renewal fee added to the loan amount at one-hundred eighty (180) days and two (2)% percent for ninety (90) days at the lenders discretion. Interest accrues on the balance of the loan including any balance increases.

### **DUE DATES/LATE PAYMENTS**

I understand that the monthly interest payments are considered to be delinquent if not received on or before the **5<sup>th</sup> day of each month**. A late fee of **\$75.00** will be applied to the loan balance if any **installment is not received on or before the fifth (5<sup>th</sup>) day of the month**. A **\$25.00 per day charge after the 10<sup>th</sup> day** will be due and payable. At this time foreclosure proceedings will begin.

### **FORECLOSURE PROCEEDINGS**

I understand that because of the high-risk nature of rehab loans, once the loan has become delinquent the maker will issue a default notice and commence foreclosure proceedings. Any foreclosure proceedings will result in additional costs, attorney fees, and other fees added to my loan.

**DRAWS ON REPAIR FUNDS ACCOUNT**

I understand that No repair money will be released if my loan payments are not current and that repair funds disbursements are not intended to fund my monthly interest payments. I understand that I must request draw funds, but only after the repairs requested for disbursement are complete. I understand that receipts and releases must be provided as proof of work performed, in accordance with the draw schedule. Disbursement checks will be made payable to the borrower unless other arrangements are made prior to closing. Renovations cannot begin prior to closing.

**DRAW INSPECTIONS**

I understand that there will be an inspection of the property each time I request a draw and that there will be a fee charged to me of \$150.00 for each draw inspection. I understand that the property will be inspected before the loan is closed, inspected upon each request for draw, and at other times, without notice, at the discretion of the maker of the loan. I understand that I will pay for the initial inspection at closing, draw inspections as requested by me, but other inspections made by the maker of the loan at other times will not be charged to me. It is the borrowers responsibility to work with a city or county inspectors to clear violations and provide documentation to acknowledge this prior to draw inspections and or release of funds.

**NO ORAL AGREEMENTS**

I understand that all fees, payments, commissions, concessions, premiums or compensation relative to this transaction will be disclosed on the closing statement. I have no knowledge of nor did I negotiate any outside written or oral agreements relative to this transaction. All elements of the transaction known to me will be evidenced at the closing and disclosed to all parties in writing.

I understand that I cannot receive by gift or reward, or request, solicit, demand or negotiate any monetary compensation for myself or anyone directly or indirectly involved in this transaction at any time. All monetary aspects of the transaction are contractual and in writing. I cannot receive any money or anything of value from anyone prior to, at the time of, or after the closing unless this is disclosed to all parties, documented on the closing statement and approved by the lender, in advance.

**I HAVE READ THE ABOVE AND UNDERSTAND THE SPECIAL NATURE AND TERMS OF THIS TRANSACTION.**

**All programs and guidelines are subject or changes, modifications, deletions and/or cancellations.**

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[Date]

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[Borrower]

