



PFG Lending Guidelines (2024)

Palermo Financial Group LLC (PFG) offers specialized hard money lending solutions for real estate investors. This document details the core lending guidelines PFG adheres to when financing real estate investment properties. Our guidelines are designed to address the unique needs of our clients, ensuring a swift and efficient lending process.

Loan Programs

- Acquisition Bridge Loans
- Acquisition Refinance Loans

Eligible Loan Purposes

- Purchase
- Rehab / Fix & Flip
- Cash Out Refi
- Rentals

Eligible Transactions

- **Max LTV:**
 - 70% of As-Is value for Purchases
 - 65% of As-Is value for Refinances
- **Interest Rate:** Subject to market conditions (9.99- 12.99% is standard)
- **Lender Fee:** 2.00%
- **Payments:** Interest-Only
- **Term Length:** Up to 24 months
- **Max Loan Size:** \$5,000,000
- **Asset Classes:** Non-Owner-Occupied Single-Family Homes & Condos, Multifamily, Office, Hotels, Warehouse, Land, Other
- **Escrows:** N/A
- **Occupancy:** Non-Owner Occupied
- **Prepayment Penalty:** Negotiable
- **Min FICO:** N/A

Application & Supporting Documents

- Signed Term Sheet
- Completed Application
- Retainer may be required
- Fully Executed Sale & Purchase Contract (Purchases)
- Soft Credit Report for guarantor(s) (if SSN available)
- Appraisal may be required
- Loan Payment History may be required
- HOA Approval (if applicable)
- Condo Estoppel (if applicable)
- Hazard Insurance with Replacement Cost Estimate for Windstorm
- Liability insurance for at least the loan amount
- Builder's Risk (if applicable)



- Flood insurance (if applicable)
- Title Search
- Lien Search
- Payoff Statement (if applicable)
- Scope of Work (if applicable)
- Environmental (if land or large land component)
- Bank Statements / Net Worth may be required
- Profit & Loss Statement (if applicable)
- Draw Schedule (for loans with rehab financing & component)
- Personal Guarantees
- ID / Passport
- Reserves (typically 3 months)

Borrowing Entities

- Domestic LLC's
- Foreign Investors (with appointed local receivers)
- US Citizens
- Permanent Resident Aliens
- Corporations (case-by-case)
- Partnerships
- Trusts

Ineligible Borrowing Entities

- Non-profit organization
- Tribal Organizations
- Irrevocable trusts
- Individual with illegal age to enter into a contract

Eligible Property Types

- SFR (non-owner occupied)
- Condo (non-owner occupied)
- Townhouse (non-owner occupied)
- Condotel
- Hotels
- Office Condo
- Office Buildings
- Multi-Family
- Land
- Warehouse

Ineligible Property Types

- NO Raw or Agricultural Land
- NO Heavy Industrial Properties
- NO High Operational Risk
- NO loans without Title Insurance



- NO Loans against illiquid /unmarketable collateral
- NO loans that would result in concentration risk to one client / property
- NO loans to properties whose value increases substantially in short period with no cause
- NO loans secured by properties we wouldn't feel comfortable owning & operating
- NO 2nd Lien Debt

Geographic Lending Area

- Florida remains our primary focus, however we would consider lending in any state where a private lending license is not required.

Vesting Docs Required

- LLC, Limited Partnership, General Partnership, Corporation Required Documentation:
- Articles of Organization/Operating Agreement
- Evidence of good standing
- Limited Liability Company (LLC)
- Operating Agreement
- Articles of Organization
- Filing Receipt
- Certificate of Good Standing (if entity is older than one (1) year)
- Corporate Resolution to Mortgage (transaction specific)
- CORPORATION (INC.)
- Articles of Incorporation
- By-Laws
- Corporate Resolution to Mortgage (transaction specific)
- Certificate of Corporation