

FREQUENTLY ASKED QUESTIONS ABOUT WINDERMERE READY LOANS

How fast can a loan be approved and funded? The fastest we can fund a loan from start to finish is three weeks. The approval is usually provided within four (4) business days and the funding/closing typically occurs on the fourth (4th) day after the final documents have been signed and the three day "Right-to-Cancel" period ends.

What is the interest rate and loan term? As of February 1, 2020 the interest rate is 0.00% (3.98% APR). Rates do change from time to time, so please call us to confirm the current rate. Maximum loan term is six months. No monthly payments are due during the term; the loan is paid off in one lump sum when the collateral property is sold.

What is the maximum loan amount? **The maximum loan amount is \$50,000.00** based on a LTV (loan to value ratio) of 75%. To calculate LTV use this formula:

The Listing or CMA Price x (times) 75% - (minus) all current encumbrances = loan amount up to \$50,000.00.

How does a HELOC affect the LTV? If there is a current HELOC (home equity line of credit) secured by the property, then we must use the maximum credit limit to calculate LTV, not the current balance (for example if the HELOC limit is \$10,000, but they currently owe only \$2500, we still use the \$10,000 number). We can use the lower balance only if the borrower provides a letter from the lender verifying the current balance, and stating that the account has been closed or frozen so no further advances can be taken. This letter will be a condition of closing, and is not required at the time of application.

What fees are charged, and how? The fees are as follows:

- A loan fee of \$495.00 per \$12,500.00 requested up to the maximum loan amount of \$50,000.00.
- Up to \$110.00 for the lender's title insurance premium (Determined by loan amount).
- \$45.00 for the credit report fee.
- \$108.50 for the recording fee.
- \$50.00 for the courier fee (If used to send documents)

All of these fees are deducted from the loan amount at the time of funding.

What is due at the time of payoff: the loan amount and a reconveyance fee will be collected.

What if the property hasn't been sold within six months? One month prior to the loan becoming due, a reminder letter will be mailed to the borrowers. Included with this letter is an extension application in case they feel that the loan will not be paid off on or before the maturity date. Extensions, if approved, are for a maximum of three months.