

Qualifications and Credit Policy FAQ

Learn the answers to your most pressing questions to easily get started with the LendingHome Broker Program.

What type of credit reporting agency does LendingHome use?

LendingHome uses an Equifax Business Principal Report, which results in a soft inquiry.

What is the minimum property square footage that a borrower must have?

The minimum property square footage is 500 square feet.

What is the maximum allowable property square footage?

The maximum allowable property square footage is 3,500 square feet.

What is the minimum FICO score a borrower can have?

We require a 680 minimum borrower FICO score.

What is the maximum dollar amount a rehab project can go up to?

A rehab can be up to a maximum dollar amount of \$150,000 in California and up to \$70,000 in other states, regardless of if the rehab is taken with the loan or self-financed.

What is ROI (return on investment)?

- $ROI = \text{Final after-repair value} / (\text{cost basis} + \text{dollar amount of rehab})$
- Minimum ROI for Pro borrowers: 1.00%
- Minimum ROI for Standard borrowers: 1.15%

What is a qualifying exit and why does that matter?

A qualifying exit is:

1. A property that was sold within the previous 24 months of the loan submit date and

2. A property that was acquired 36 months or less before the exit. The following conditions also apply:

- Pending sales and refinances do not count as qualified exits
- Exits must be found on RealtyTrac or DataTree
- There must be more than 30 days between purchase and sale to be considered an exit
- Exits must be over \$50,000 disposition price
- Only one recent exit can be sourced/verified via a HUD-1 within 60 days of submit
- No greater than two entities can be used to qualify experience, including borrowing entity

LendingHome uses qualifying exits to determine whether a borrower qualifies for loan terms under our Pro or Standard programs.

- Pro: 5+ exits in the last 24 months
- Standard: Less than 5 exits in the last 24 months

Are standard borrowers required to take rehab from LendingHome?

Yes, if rehab is needed, standard borrowers are required to take rehab as part of LendingHome's loan.

What are the eligibility criteria for property types?

Our eligible property types are SFR, condos, PUDs, and 2-4 units.

Can hazard insurance be paid monthly?

Yes, hazard insurance can be paid monthly. If the premium is paid monthly, we need to ensure the agency's mailing address is listed on the declaration page, and we have contact information for the agency (where the premium is being paid to). This is often listed in the top left of the declaration page. A loan analyst will confirm the payment is monthly and note that on our hazard certificate.

Is a personal guarantor required?

Standard borrowers must have a personal guarantor. Pro borrowers can elect not to have a personal guarantor; a Pro borrower can elect to close the loan in an entity, and does not need a warm body individual guarantor. When this is done, a LLPA (loan level pricing adjustment) of +1.00% is applied to the interest rate.

Can I choose my own closing agent / title agent?

Yes, you can choose your own closing agent and title agent.

Are income and asset documents required?

No, we qualify without income or asset documentation.

Which states are available for LH to lend in?

We lend in 28 states/territories across the U.S.: Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Kentucky, Massachusetts, Maryland, Michigan, Minnesota, Missouri, North Carolina, New Jersey, Nevada, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, and West Virginia, as well as Washington D.C.