

# SUMMIT FINANCIAL AND INVESTMENT GROUP, LLC

10421 South Jordan Gateway ♦ Suite 600 ♦ South Jordan ♦ Utah 84095  
(801) 944-4320 Office ♦ (801) 944-4322 Fax ♦ Email: [sfig@summitfinancialgroup.com](mailto:sfig@summitfinancialgroup.com)  
*Business Consultants - Financing - Packaging - Risk Analysis*

## **PROJECT UNDERWRITING and PROJECT MANAGEMENT POLICY STATEMENT**

### **Introduction of Projects:**

Upon receipt of any project received from a broker, correspondent or borrower SFIG will immediately review the file for the feasibility of the project, it's funding request, the appropriate ratios and constraining criteria, make calls into the market or to known resources and available data bases and will ascertain whether or not the project will qualify for the financing proposed or for any possible structure of financing of the loan if the loan request is not completely suitable.

We are not concerned about any issues that may indicate that the project has a "story" or has matters that have not allowed conventional financing – as long as these issues are fully disclosed as soon as possible in order to avoid wasted time and effort for everyone involved. On projects that have problems or concerns we have the ability to be creative and inventive as long as the underlying premise of the loan or project and borrower/borrowing entity is viable and a sound plan for turnaround is in place and can be executed.

### **Qualification of Correspondent Lenders or Investors:**

Once SFIG has completed the preliminary review and qualification SFIG then reviews the project file directly with its' participating lenders or investors to ascertain that the assumed underwriting criteria and issues are understood and manageable. SFIG will then make any required changes to its assumptions if necessary and will notify the broker, correspondent or borrower that SFIG intends to proceed with a proposal in the form of a Letter of Interest.

### **Letter of Interest:**

SFIG will then complete an LOI (Letter of Interest) that conforms to the pre-qualifications of the investors including any specific terms or conditions that are required for the property or entity and transaction type. This LOI will contain detailed terms and conditions, rates, and underwriting criteria to qualify for the loan or investment as well as terms of repayment or exit from the investment. Some of these terms and conditions may not be fully implicit at the time of the LOI preparation due to the lack of materials yet to be provided from the borrower and it must be understood that as these underwriting issues are clarified they may or may not make a material difference in the terms and conditions found on the LOI.

The LOI will set forth all of the known Costs; Application Fees, Expense Escrows, Loan Fees, Underwriting Expenses, Legal Fees and Third Party Report Fees as well as any Correspondent or Broker Fees to be earned from the successful closing of the proposed funding.

The LOI will have a specific expiration date which is set approximately 5-10 days from the date of the LOI. The LOI must be accepted and executed prior to that expiration date unless specific discussions have occurred between the borrower and SFIG which will allow an extension. The

LOI is not binding upon execution and is only an indication of understanding and acceptance of the proposed funding and upon receipt of the executed LOI an Application for the proposed funding will be prepared and sent to the borrower.

If for any reason the borrower is not comfortable with the terms found in the LOI or does not understand the terms and conditions he or she should not sign or execute the LOI until a discussion with SFIG has occurred and clarifications are given and received to your satisfaction. Do not accept what any broker may say to you, please ask and receive your answers directly from SFIG to avoid confusion or the risk that a well intentioned intermediary incorrectly relates to you our intentions or position.

If the Borrower does not execute the LOI and it expires but at a later date wishes to revisit the proposal, we will be glad to do so and will ascertain what interest there may be at that time and what rate and terms may be available then since we cannot hold terms and conditions open indefinitely.

**Application:**

Upon receipt of the executed LOI SFIG will prepare a full Application including Exhibits to the Application for review and signature by the Borrower. These Exhibits are a listing of the specific documents required for the specific project funding requested. Development projects will usually have two (2) exhibits known as Exhibits "A" and "B". Refinance projects, leases or other types of financing may only have an Exhibit "A". The previously executed LOI will be made a part of the Application and shall be identified as an exhibit to the application and shall become binding at that point.

The Application shall fundamentally reflect the LOI but with specific language that will pertain to the Application. Like the LOI, the Application will have an expiration date that is generally fixed and if there are any known issues with the expiration date that may cause problems for the borrower's ability to comply within the time frame allotted, it is the responsibility of the borrower to make contact with SFIG as soon as possible and make arrangements for an extension, if appropriate. This includes any issues with the required payment of the Application Fee and Expense Escrow.

If the Application is executed but no fees paid or if the expiration dates passes with no response and then the borrower wish to proceed, providing this is within two week period of the expiration date, the Application may be kept in-force by the payment of an Extension Fee, which fee may be waived in certain situations. If no response or communication is received prior to the expiration date from the borrower the Application will be allowed to expire without further comment.

**Underwriting and Loan/Investment closing:**

In both the LOI and in the Application estimated times for closing and underwriting are provided. They are estimates and are based upon the timely delivery of the required documents from the Exhibits provided with the Application. All estimates of time are based from the time SFIG has received all of the materials provided in these Exhibits. If the documents are not provided and in the form or format requested; or if material or significant documents remain open and not received or if they are not in the form or structure required, the estimated timing for a closing may be delayed.

It is the responsibility of the borrower to provide the documents from the Exhibits in an expeditious manner and in the form or format requested in the Exhibit. SFIG will not construct, originate, change or manipulate any borrower's documents. Only those documents that SFIG is responsible for as a part of SFIG underwriting will be originated by SFIG.

If the borrower executes the LOI and the Application, provides documents as required but does not pay the appropriate fees no underwriting will be initiated.

Please contact SFIG directly with any questions, comments or needed clarifications.

Thanks you.