

## LENDING GUIDELINES

Submit your deals via **Filogix/Expert, Lendesk, Newton/Velocity, My Broker Bee** (Look us up under the "Private Lender" Tab in Filogix) or by sending email to [yes@k5mortgage.com](mailto:yes@k5mortgage.com).

Please provide Application, Credit Bureau and a story to get started.

### FIRST MORTGAGES

**Rates:** starts from 4.99%

**Fees:** starts from 1-2%

**Max LTV (Loan to value):** up to 50-65%

Rates are subject to change without notice.

### SECOND/THIRD MORTGAGES

**Rates:** Starts from 7.99%

**Fees:** Starts from 5%. Minimum \$2,500.

**Max LTV (Loan to value):** up to 85% (90% on case-by case basis)

**YOUR (BROKER) Fee:** You set your own fee and keep it all.

**LOCATION:** Alberta and British Columbia. Small towns are ok with reduced LTV.

**CREDIT BUREAU:** NO minimum beacon score. We don't disqualify borrowers based on a credit. GOOD, BAD, UGLY, BEACON REJECT, BANKRUPTCY, CONSUMER PROPOSAL, NO credit is ok.

**DOWN PAYMENT:** We allow 2<sup>nd</sup>/3<sup>rd</sup> mortgages, VTB financing, Gifted Equity.

**FORECLOSURE/POWER OF SALE RESCUE:** Acceptable if there is a solid exit plan in place.

**INCOME:** NO GDS/TDS Requirement, however Affordability should be reasonable. Self-employed income is very welcome. PRE-PAYMENT of 6-12 months required if income is not fully verified.

**NOA (Notice of Assessment):** We need to make sure ALL CRA debt is paid off, if any. Approval with outstanding taxes on case by case basis.

**TERMS:** 12-36 months Closed. We are allowing 6 months closed, open thereafter on exception basis.

**MIN LOAN AMOUNT:** No minimum loan amount. Our Happy Loan program designed for below \$10,000 amounts.

**MAX LOAN AMOUNT:** Up to \$500,000 on 1<sup>st</sup> mortgages. Up to \$200,000 on 2<sup>nd</sup> mortgages.

**PAYMENTS:** Interest Only, Monthly on the 1<sup>st</sup> or 15<sup>th</sup> of every month.

**RENEWALS:** Renewals are welcome if mortgage performs well. Renewal fees applied.

**COMMERCIAL/CONSTRUCTION Mortgages:** See below how we operate on Construction Draw Loans and LARGE Commercial files.

**DEALS WE LOOK AT:** Residential, Single Family Homes, Townhouses, Apartment Condos, Acreages, Rental/Investment properties, Small Commercial, Rural properties, Agricultural, PRIVATE lender's payout, Serviced and Raw Land, EQUITY funding, Mobile homes on owned and leased land (case by case).



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### **COMMERCIAL/CONSTRUCTION Mortgages.**

Here is how we operate on **LARGE COMMERCIAL and CONSTRUCTION DRAW Mortgages.**

As you might know commercial and construction mortgages has their own complexity and to avoid any miscommunication, here is how we operate - you send us whatever documents you have, and we will execute agreement with you securing your commission.

We will need direct access to the client. We will keep you informed during the process and notify you when we will send you a cheque.

**You will get 20% of whatever we charge the client. No work required from your part.**

If client is interested, he needs to cooperate with us and send us documents that we request, so we can look at the paperwork and come up with a solution.

Here are the documents that we expect (if applicable):

- Personal Net Worth statement (if married, both spouses, if company - ALL shareholders must be involved)
- 2 IDs for the borrowers
- appraisal (if applicable)
- income (6-12 month bank statements or any document to prove the client can afford payments, company financials)
- title & property tax roll
- construction budget and drawings
- development permits approvals
- synopsis on: funds needed for, plan to keep mortgage current at all times, exit strategy
- other documents (if specific deal)

Upon we get all the documents we will issue a Letter of Intent outlining rates, fees and conditions to the borrower. If agreeable, we will require a deposit/commitment fee (small portion of the total fee). To make sure borrower doesn't change their mind and committed to the deal.

**On construction files** typically borrower can get up to 75% loan to COST (hard & soft costs, including land purchase).

Private money is not cheap, especially when risk is high. Borrowers should expect rates from 9-15%, plus 1-5% in fees (depends on the project and individual circumstances)

We are very accommodating and understand issues, we deal with borrowers until they got the money and have a ton of common sense to see behind difficulties and fix them, to make sure borrowers succeed.

Please send a deal package to [yes@k5mortgage.com](mailto:yes@k5mortgage.com) or give us call at 403-891-8585 to ask ANY questions.