

# AmeriFunds Note Buying Parameters

## What We Buy:

- First lien position notes secured by residential properties.
- First lien position notes secured by commercial properties.
- Purchases secured by Contract for Deed without conversion to Note & Mortgage/Deed of Trust (Exception is Contracts for Deed in Texas – documents will need to be converted to Note & Deed of Trust.)
- We offer both full and partial purchases.
- No maximum Note amount.
- Minimum property value is \$50,000.
- Negative equity notes are considered for partial purchases.
- Interest only notes are considered for partial purchase of payments ONLY leading to balloon. An exception to this guideline is if borrower put down payment of 50%+ of sales price.
- Residential Properties (must have an occupied structure on-site) with acreage in excess of 10 acres are considered on a case by case basis.
- Notes with delinquent property taxes are considered on a case-by-case basis.
- Notes where the seller cannot provide proof of hazard insurance are considered on a case-by-case basis.
- Notes in all 50 states eligible for purchase.
- We purchase 3rd party serviced accounts.

## Guidelines For Residential Properties:

For owner occupied and non-owner occupied, including single family, duplex, condo, multi-family with 4 or less units, and mobile home/land:

- Owner occupied – a minimum seasoning of 3 months is needed. If less than 5% cash was put down, note will need 12 months of seasoning.
- Non-owner occupied - a minimum seasoning of 12 months is needed for a full offer. Partial purchases are considered on notes with less than 12 months seasoning on non-owner occupied.
- LLC, Trust or corporation as borrower, with no personal guarantee, on both owner occupied and non-owner occupied properties, a minimum of 12 months seasoning is preferred.
- No minimum credit score. On offers where borrower has sub-600 credit, seasoning of 12 months is preferred.
- Mobile home/land as real estate needs a minimum of 25% down (or equity based on sales price), and 12 months seasoning. No sub-600 credit on mobile/home land notes. Mobile home will need to be permanently attached and taxed as real property or seller will need original mobile home title with seller reflected as lienholder.
- Verifiable pay records for the last 12 payments will be requested. On notes where borrower has sub-600 credit, verifiable pay records for the last 24 months may be requested.

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## Guidelines For Notes Secured By Commercial Properties:

- Owner occupied – a minimum of 6 months seasoning is preferred. If less than 20% down, a partial purchase may be offered.
- Tenant occupied – a minimum of 6 months seasoning is preferred. If less than 20% down, a partial purchase may be offered. Property must be at least 80% occupied.
- No minimum credit score. All offers are made assuming 600+ credit score. On borrowers with sub-600 credit, property must be occupied by business owned by borrower and we require a minimum of 24 months of seasoning.
- LLC and corporate borrower notes with no personal guarantee are considered.
- Notes on mobile home parks are considered on a case-by-case basis. A minimum of 30% down or 30% equity based on sales price, plus 24 months of seasoning is preferred.
- Verifiable pay records for the last 12 payments will be requested. On notes where the borrower has sub-600 credit, verifiable pay records for the last 24 months may be requested.

## Notes That We Do Not Buy:

- 'Land only' notes, including land designated as residential, farm land or commercial land.
- Notes originated prior to 1-1-2014 where the seller originated six (6) or more seller financed notes in the preceding calendar year. (Applies to owner occupied residential units only.)
- Notes originated 1-1-2014 or later, where the seller on the note originated four (4) or more seller financed loans secured by residential properties. (Applies to residential structures that contain one to four units – both owner occupied and non- owner occupied.)
- Loans on residential properties originated by a bank, mortgage company or other institutional lender are ineligible for purchase.
- Re-performing/sub-performing loans currently held by an individual or investor who purchased the loan from a bank, mortgage company or other institutional lender.
- Notes secured by properties with a history of environmental concerns that have not been cleared by State and/or Federal regulatory agencies with the issuance of a Nothing Further Certificate. Environmental study reports by non-government third party agencies will not suffice. The report must be approved by State and/or Federal Regulatory agencies with a Nothing Further Certificate issued.
- Notes secured by vacant residential properties.
- Notes secured by multi-family units with less than 80% occupancy.
- Notes secured by vacant commercial units. If a borrower is in the process of remodeling a building or waiting for City permits to open, AmeriFunds will not make an offer on the note until the business is up and running.