

# Land Loan Programs

**Do you have a challenging buyer who is having trouble finding the perfect home to purchase?** Do you have an investor that wants to maximize his or her rental income on a property? Do you have a listing that is in “tear-down” condition and are you concerned about only being able to consider cash offers?

Finance Factors has money to lend to borrowers who want to purchase a vacant residential lot and build their dream home or an investment unit. We will also lend on properties with a dwelling in “tear-down” condition. Our land loan programs are short term loans designed to allow a buyer to acquire a vacant lot or home in tear-down condition and give them sufficient time to develop plans and line up construction financing that will allow them to fully maximize the potential of a property.

We will finance up to 70% of the purchase price or appraised value for residential-zoned lots, and up to 65% Loan-to-Value (LTV) on agricultural-zoned lots.

As part of the process of underwriting the land loan, we also evaluate the borrower’s ability to qualify for construction financing. We want to make sure that the borrower does not end up owning a lot but then he or she is unable to take the next step to build on it. An assessment of the borrower’s ability to build on the property or payoff the land loan prior to maturity will include:

- An evaluation of liquid assets, net worth and income capacity
- A written “exit strategy” detailing the borrower’s plans for the property and the payoff of the land loan

Under certain circumstances, we may recommend doing a long term loan instead of a land loan. Particularly in those instances where the borrower intends to keep the dwelling to make repairs and verifies the additional reserves to complete such repairs. However, we still would evaluate LTV based on site value alone without giving consideration to the value of the improvements.

**Call Finance Factors today. We can help!**

We are experts at finding common sense solutions to uncommon lending problems.



**FOR REAL ESTATE PROFESSIONALS ONLY**

This flyer is for informational purposes only. It does not constitute an offer to make a loan. Any loan and the terms thereof are subject to Finance Factors' underwriting approval. The information stated herein are estimates calculated based on the loan programs currently offered by us. All of this information is subject to change without notice. Actual loan qualification requirements will be based on the specific underwriting guidelines applicable to each loan program at the time of application. Other terms and restrictions may apply.

**THE MODERN WAY TO MORTGAGE**