APEX Mortgage Corp. presents

THE SOFTER SIDE OF HARD MONEY
Overview

Â Softer Hard Money Program features
Â Reasons borrowers need this product
Â Comparison of Softer Hard Money Program versus APEX core programs
Â Comparison of Softer Hard Money Program versus traditional Hard Money
Â Examples of deals we will do & not do
Program Features

• Designed for Small Loan Sizes
• Nationwide program
• Many Properties Eligible
Program features (cont’d)

- Credit score of 400 and above
- No seasoning requirements
- Purchase rehab loans available
Program features (cont’d)

- Interest Only Balloons – up to 5 year terms
- Up to 60% Loan to Value/Cost
- No pre-payment penalty
Program features (cont’d)

- Rates between 12% and 15%
- Lender points as low as 2
- No fees before closing – only short form appraisal.
Borrowers who need this product

- Credit scores are very low due to temporary circumstances
- Bridge to Sale
- Non-seasoned property
- Purchase rehab
Low Credit Scores

- Credit scores of 400 and above
- Real estate must show pride of ownership
- Borrower must establish a clear ability to repay the loan
- Credit issues must be in the past
Bridge to Sale

- Very short term loans are okay
- No pre-payment penalty
- Common sense will be employed to ensure that exit strategy can work
Non-Seasoned Properties

- Some explanation for increased value to property must be reviewed
- Borrower can refi for up to 60% of current appraised value
- Ability to repay must be established
Purchase Rehab

• 50% of Loan to Cost (or Loan to ARV whichever is less)
• Funds to be escrowed and released per pre-approved schedule
• Multi-family properties only
# APEX Softer Hard Money vs. APEX Core Programs

<table>
<thead>
<tr>
<th>Soft Hard Money</th>
<th>APEX Core</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Rates 12-15%</td>
<td>• Rates 9-12%</td>
</tr>
<tr>
<td>• 1-5 yr. interest only terms</td>
<td>• 25 years fixed – no balloons</td>
</tr>
<tr>
<td>• Credit scores of 400+</td>
<td>• Scores above 600</td>
</tr>
<tr>
<td>• Loans $50k-$350k</td>
<td>• Loans $25k-$500k</td>
</tr>
<tr>
<td>• No pre-payment penalty</td>
<td>• Pre-payment penalty</td>
</tr>
<tr>
<td>• 2+ points to APEX</td>
<td>• 1 point to APEX</td>
</tr>
<tr>
<td>• 60% LTV Max</td>
<td>• 70% LTV Max</td>
</tr>
</tbody>
</table>
APEX Softer Hard Money vs. APEX Core Programs

As always, with all of our programs, APEX will talk to your borrower. We will listen to their story, and figure out a loan that makes sense for them, you and us.

We’ve been lending to non-bankable commercial clients for over 20 years.
## APEX Softer Hard Money vs. Traditional Hard Money

<table>
<thead>
<tr>
<th>Soft Hard Money</th>
<th>Traditional Hard Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rates 12-15%</td>
<td>Rates 10% to 20%+</td>
</tr>
<tr>
<td>1-5 yr. interest only terms</td>
<td>6 mo to 24 mo balloons</td>
</tr>
<tr>
<td>Credit scores of 400+</td>
<td>No credit score requirement</td>
</tr>
<tr>
<td>Loans $50k-$350k</td>
<td>Loans $500k+</td>
</tr>
<tr>
<td>No pre-payment penalty</td>
<td>No Pre-payment penalty</td>
</tr>
<tr>
<td>2+ points to APEX</td>
<td>5 points to lender</td>
</tr>
<tr>
<td>Still concerned about ability to pay</td>
<td>No concern about ability to pay</td>
</tr>
<tr>
<td>APEX core program can be exit.</td>
<td>Exit strategy critical</td>
</tr>
</tbody>
</table>

---

After reviewing the available options, it becomes evident that both Soft Hard Money and Traditional Hard Money have their distinct advantages and disadvantages. In this case, APEX offers a novel Soft Hard Money option that seems to strike a balance between the two types.

- **Soft Hard Money**
  - Higher interest rates (12-15%)
  - Interest-only terms for 1-5 years
  - Credit score requirement: 400+
  - Loan amount range: $50k-$350k
  - No pre-payment penalty
  - 2+ points to APEX
  - Exit strategy available through APEX core program

- **Traditional Hard Money**
  - Lower interest rates (10% to 20%+)
  - Balloon terms range: 6 mo to 24 mo
  - No credit score requirement
  - Loan amount range: $500k+
  - No pre-payment penalty
  - 5 points to lender
  - Exit strategy critical

Based on the provided information, Soft Hard Money appears to be a more flexible solution with lower interest rates and longer terms, which could be more appealing to certain financial situations. However, it's crucial to evaluate the specific needs and circumstances of the borrower to determine the best fit.
Would you fund this loan?

- $1,000,000 property value
- Mixed use in NYC boroughs
- $325,000 request
- Free and Clear
Example of a Deal that is too Hard Money for APEX

- Son runs restaurant in main part of property
- Borrower behind on primary residence over $100,000
- Borrower behind on subject property over $100,000 on taxes and water
Example of a Deal that is too Hard Money for APEX (cont’d)

- Borrower is currently not paying taxes on subject, not paying home mortgage, not paying water/sewer
- APEX would be adding $5,200 worth of debt per month (P&I & taxes)
- He cannot afford his lifestyle and the building as-is is right now
Example of a Deal that is too Hard Money for APEX (cont’d)

- Program is designed to help people through a temporary problem
- We are not interested in taking on future foreclosures
- We’re happy to offer term loans at the end of the balloon period for qualifying borrowers
Approved Softer Hard Money Deals

Example 1 – No Seasoning

Â Borrower purchased deli in 2013 for $80k
Â Borrower completely renovated property but cannot document any $$$ spent
Â Property will appraise for $200k
Approved Softer Hard Money Deals

Example 1 – No Seasoning (cont’d)

- Borrower cannot document any income
- Borrower needs $110,000
- Borrower is up against $3,000 renewal fee with private lender
Approved Softer Hard Money Deals

Example 1 – No Seasoning (cont’d)

Â Closed in 10 days from borrower’s acceptance of deal
Â Broker made 5%
Â Borrower thrilled that there is no pre-payment penalty & they will not be under any pressure for 4 years
Approved Softer Hard Money Deals

Example 2 – **Low Credit Score**

- A Motel/ resort lodge worth $900,000 with great pride of ownership
- A Borrower needs $350,000 to clean up taxes and payoff ballooning first mortgage
- A Credit scores in the low 500’s
Approved Softer Hard Money Deals

Example 2 – Low Credit Score (cont’d)

Â Borrower used credit cards to renovate one building on the property
Â Recession hit, and borrower couldn’t afford to keep up on credit card payments
Â Borrower never missed payment on mortgage
Approved Softer Hard Money Deals

Example 2 – Low Credit Score (cont’d)

- APEX approved 12% i/o
- 4 year balloon
- Broker charged 4 points, $14,000
Approved Softer Hard Money Deals

Example 3 – Bridge to Sale

Â Borrower owns $750,000 multi-family
Â Borrower needs $225,000 to purchase a car wash
Â Borrower has multi-family up for sale
Approved Softer Hard Money Deals

Example 3 – **Bridge to Sale** (cont’d)

- APEX offer 12.99% i/o
- 2.5 points to APEX
- 1 year term – No pre-payment penalty
What’s In It For You?

Â- Softer Hard Money lender available to you Nationwide!
Â- Make up to 5 points on deals that were turndowns in the past!
Â- You know us, your fee will be protected as always!
THANK YOU

For more information, please call us at

(800) 262-2739

Ryan Boyle, X267
Marc Elentrio, X285
Bob Worthington, X208