

Non-Warrantable Condos Simplified.

Maximize Your Pipeline and **ORIGINATE MORE!**

Today's Speakers

**ORIGINATE
MORE!**



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Agenda

- Who We Are
- What We Do
- Why Partner with Us
- The Expanding Condo Market
- Who are the Biggest Buyers?
- Determining Warrantability
- How to ORIGINATE MORE! Non-Warrantable Condos Loans
- Recently Funded Deals
- Q&A and Contact Info

Who We Are



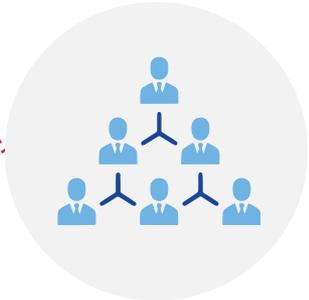
Established
in 2008



Corporate
Office in Irvine,
California



Operations
Teams through
the U.S.



Management
Team of Non-QM
Product Industry
Veterans

Who We Are

We are a Lender you can **Trust.**

American Heritage Lending is a customer service-oriented lender in the **Non-QM mortgage** market. The company was founded by mortgage professionals who hold a long history of providing flexible solutions to borrowers who don't fit the **Qualified Mortgage** space.

American Heritage Lending prides itself on providing superior service, and our experienced staff is here to help you every step of the way. Our highly trained Account Executives, Account Managers, and Underwriters work with clients to structure loans and provide real solutions for difficult loans that were rejected by traditional lenders or government automated underwriting methods.

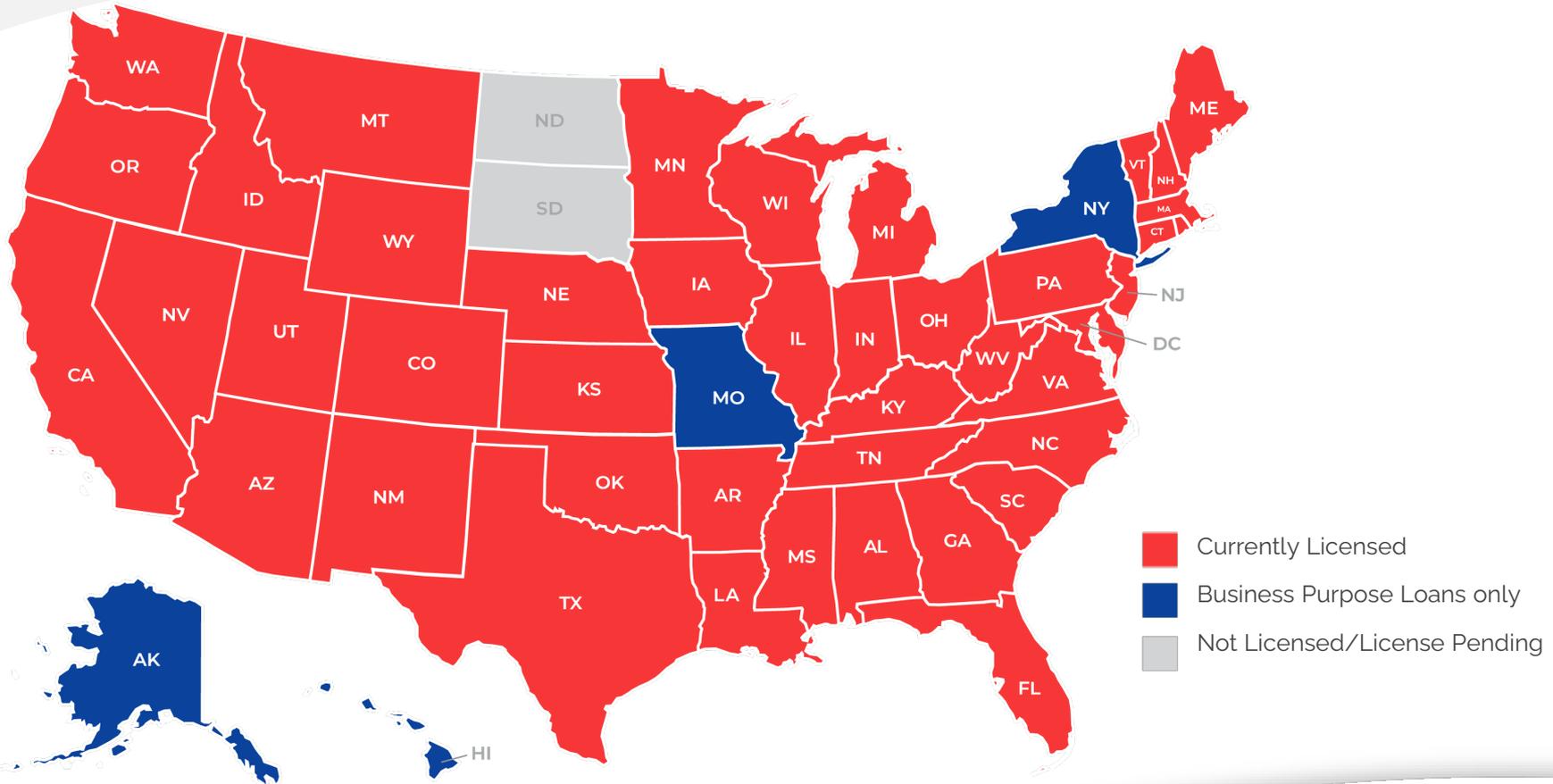
What We Do

Nationwide Non-QM Lender

The AHL Difference:

- Full Suite of Non-QM Products
- Bank Statement Loans
 - Expense Ratios as low as 20%
- DSCR
 - Use 1007 over lease when beneficial
 - LTV up to 85%
- Primary Residence Bridge Loan
- Foreign Nationals to 75% LTV
- Condos and Condotels
- Asset Depletion
- Prime Jumbo Loans
 - up to \$4 million with ALT-Doc
- 1-Year P&L program

Coverage



Why Partner With Us?

- Full suite of Non-QM products
- Common sense underwriting
- User friendly client portal
- Offering Wholesale and Correspondent delivery
- Best in class turn-times



The Expanding Condo Market

- Affordability
 - Attractive entry point for first time home buyers
 - Condo vs. SFR
- Convenience
 - Amenities
 - Close to cities and work
- SFR Inventory Shortages

References:

[The Condo Market Is Booming \(nar.realtor\)](#)

Who are the Biggest Buyers?

- First Time Home Buyers
- Single Borrowers
- Investors
- 2nd Home Borrowers – Seasonality
- Foreign National Buyers
- Empty Nesters

Securing Condo Financing

- Limited financing options make it increasingly **harder** for borrowers to secure Condo financing
 - Stringent Fannie Mae and Freddie Mac restrictions
 - Lengthy Condo Questionnaire to determine Condo Warrantability
 - Process can become arduous and lead to processing delays or declinations
- Partnering with a lender that specializes in Non-Warrantable Condo financing is key

Determining Warrantability

- Pending/active litigation
- Non-Owner Occupancy over 50%
- Single entity owns more than 10% of units
- Commercial use over 15% of overall square footage
- HOA allowing Short Term Rentals and/or Condotels
- Project is not 100% complete
- Unit owners are not in control of HOA
- Recreational Leases – Leasing amenities to 3rd parties.
- Land Leases
- HOA does not have sufficient reserves

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How to
ORIGINATE MORE!
Non-Warrantable Condo Loans

Partner with Selling Agents

- Identify listings for Condos and/or Condotels
- Contact the Selling Agent for the listing



\$360,000
6215 Kendale Lakes Cir #271, Miami, FL 33183

3 beds **3** baths **1,220** sqft

13 days on Zillow | **2,527** views | **152** saves | Likely to sell faster than **97% nearby**

Zillow last checked: 9 minutes ago
Listing updated: April 09, 2024 at 02:53pm

Listed by: Mariffer De Armas 305-987-8100, Realty One Group Evolution

Source: MIAMI, MLS#: A11562760  Originating MLS: A-Miami Association of REALTORS

Reference:
[6215 Kendale Lakes Cir #271, Miami, FL 33183](#) | [MLS #A11562760](#) | [Zillow](#)

Partner with Selling Agents



Price cut: \$50K (4/12)

\$1,800,000

24 Avalon St #603, Clearwater, FL 33767

3 beds **4** baths **1,839** sqft

Est.: \$13,236/mo [Get pre-qualified](#)

Hotel/Motel, Condominium	Built in 2021	-- sqft lot
\$1,718,400 Zestimate®	\$979/sqft	\$1,919/mo HOA

Zillow last checked: 10 minutes ago

Listing updated: April 12, 2024 at 09:14am

Listing Provided by: Jill Helgren 727-455-5814, COASTAL PROPERTIES GROUP 727-493-1555

Source: Stellar MLS / MFRMLS, MLS#: U8235560 Originating MLS: Pinellas Suncoast

Reference:
[24 Avalon St #603, Clearwater, FL 33767](#) | [MLS #U8235560](#) | [Zillow](#)

Partner with Builders

- Identify Condo Developers:
 - National Home Builders such as: Meritage Builders, KB, Ryan Homes, etc
 - Regional Home Builders
 - Identify builders in specific geographical locations
- Contact builders and offer financing solutions
 - They may need help getting the first few financed

Think Outside of the Box

- Contact HOA
 - Are your condos Non-Warrantable?
 - Are your owners having a hard time finding financing options?

- Identify Opportunity Zones within your local markets
 - Foreign Students
 - Professionals

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with AHL

Non-Warrantable Condos

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- Up to 75% LTV Non-Warrantable Condos
- Up to 85% LTV Condotels
- Owner-Occupied, 2nd Homes, and Investment Properties
- Loan amounts up to \$3m
- Full Doc, Alt Doc or DSCR
- Purchase and Refinance allowed
- High Rises accepted
- Foreign Nationals allowed

Recently Funded Deals

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Transaction Type:	Purchase
Property Type:	Condotel
LTV:	70%
Product:	Rising Star – Full Doc

Exception Request:

- Square footage: 400 square feet

Compensating Factors:

- 804 mid FICO
- \$500k liquid assets
- Kitchenette

Recently Funded Deals

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Transaction Type:	Purchase
Property Type:	Non-Warrantable Condo
LTV:	75%
Product:	Invest Star DSCR

Exception Request:

- The insurance policy has actual cash value coverage for the roof

Compensating Factors:

- HOA has reserves
- Life expectancy of the roof on appraisal
- DSCR = 1.1%

Summary

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- The Condo market including Non-Warrantable Condos is thriving and very lucrative
- Securing financing for Non-Warrantable Condos has become increasingly challenging
- Partnering with a financial institution that understands the complexities of the condo market is key
- Partner with American Heritage Lending to grow your business and **ORIGINATE MORE!**

Available Resources

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American Heritage LENDING

Non-Warrantable Condos

Simplified

What is a Non-Warrantable Condo?

A Non-Warrantable condo is a type of condominium that does not meet conventional guidelines set by Fannie Mae and Freddie Mac and is considered too risky to buy by most lenders.

Top 5 Reasons that Make a Condo Non-Warrantable:

- 1. Commercial Space**
A condominium project must not exceed 35% of commercial or mixed-use space. This applies to commercial areas both above and below ground level in the building.
- 2. Litigation**
Projects undergoing pending litigation with the HOA as named parties, or where the project sponsor or developer is named in relation to the safety, structural soundness, habitability, or functional use of the project.
- 3. Single Entity Ownership**
When a single entity (the same individual, investor group, partnership, or corporation) owns more than the following total number of units in the project:
 - Projects with 5 to 20 units - 2 units
 - Projects with 21 or more units - 20%
- 4. Recreational Leases**
Loans securing units in condo projects with mandatory memberships that require the HOA members to pay dues to a third-party organization (such as a golf course or other recreational facility).
- 5. Projects that Operate as Hotels**
A project may not be operated or managed as a hotel, motel, or similar commercial entity.

Contact your dedicated AHL Account Executive for more information!

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American Heritage LENDING



We finance Non-Warrantable Condos

- Up to 75% LTV Purchase
- Loan amounts up to \$3 million
- Owner Occupied, 2nd Homes & Investment Properties
- High Rises accepted
- Foreign Nationals allowed

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American Heritage LENDING Addendum Added December 2021

Form 1076 - Condominium Project Questionnaire

Instructions

Lender: Complete the first table below and enter the date on which the form should be returned to you.

Homeowners' Association (HOA) or Management Company: This form has been sent to you on behalf of an individual seeking mortgage financing to purchase or refinance a unit in this project. The mortgage lender needs this information to determine the eligibility of the project for mortgage financing purposes. Complete and return this form by lender date _____ to this lender listed below. Questions about this form should be directed to the lender contact.

Lender Name	American Heritage Lending	Lender Phone Number
Contact Name		Lender Fax Number
Lender Address	2000 MacArthur Blvd Suite 200 Irvine, CA 92614	Lender Email Address

I. Basic Project Information

1. Project Legal Name	
2. Project Physical Address	
3. HOA Management Address	
4. HOA Name (if different from Project Legal Name)	
5. HOA Tax ID#	
6. HOA Management Company Tax ID#	
7. Name of Master or Umbrella Association (if applicable)	
8. Does the project contain any of the following? Check all that apply.	
a. <input type="checkbox"/> Hotel/motel/resort activities, recreational or voluntary rental, parking arrangements or other restrictions on the unit owner's ability to occupy the unit.	
b. <input type="checkbox"/> Deed or resale restrictions.	
c. <input type="checkbox"/> Manufactured homes.	
d. <input type="checkbox"/> Mandatory fee-based memberships for use of project amenities or services.	
e. <input type="checkbox"/> Non-incidental income from business operations.	
f. <input type="checkbox"/> Supportive or continuing care for seniors or for residents with disabilities.	

Provide additional detail here, if applicable (optional):

Fannie Mae Form 1076-Addendum 1076-Form 476 Page 1 March 2019 (addendum added December 2021)

Q&A & Contact Info

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For more information, reach out to your dedicated AHL **Account Executive**, or:

Client Support Help Desk



855.206.2612



ClientSupport@Ahlend.com

www.ahlendtpo.com

Thank you!