



Pioneer Mutual Federal Credit Union Commercial Real Estate Loan (CREL) Requirements

The Pioneer Mutual Federal Credit Union (PMFCU) wants to meet your financial need and we are looking for a long term business relationships. We request for a comprehensive information for the application, and have provided a list of requested items below. The information is needed to enable us to make a responsible loan decision. As time-consuming as it sometimes is to compile, our experience shows that careful financial planning can be a significant factor in the success of a business.

Eligibility:

1. Applicant (corporation/company) needs to seek a membership and to open an account with Pioneer Mutual Federal Credit Union.
2. The authorized Directors of the corporation/company must be members of the Pioneer Mutual Federal Credit Union.
3. The Real Estate Loans will be given in the name of the company only.

Types of Loans:

DESCRIPTION	TERM	AMOUNT	RATE	COLLATERAL
Real Estate Property (new or existing)	15 years	** Lesser of \$2,650,000 with max of 80% of Appraised value - whichever is less	Fixed: <i>(Loan Term 15 years with amortization for 25 yrs. with Balloon Payment)</i> 5 Years – Prime + 0.75% then Prime + 1.00% 10 Years – Prime + 1.50% then Prime + 1.00%	Real Estate Property (land & Building) & Signature(s) - Mortgage 1st lien
Real Estate Property (new or existing) (For 2nd Lien)	15 years	Lesser of \$500,000 with max of 75% of Appraised value minus the amount owning on 1st mortgage – whichever is less	Variable: Prime + 1.00%	Real Estate Property (land & Building) & Signature(s) - Mortgage 2nd lien

- Rate as per Rate & Fee Schedule and subject to Credit Score

****Level 1 Limit:** Single Borrower up to \$1,500,000

****Level 2 Limit:** Multiple Borrowers within one group/associate up to \$2,650,000

Fees:

- The following nonrefundable loan processing fee will be applicable.

1) Loan up to \$ 150,000	\$ 600.00
2) Between \$150,001 to \$500,000	\$ 1100.00
3) Above \$ 500,001	\$ 1500.00
- Membership Account balance requirement as per Rate & Fee Schedule
- Loan Origination Fee will be 1% of loan amount with minimum \$1,500.00 for loans up to \$150k and \$2500.00 for Loans above \$150k. (If loan approved, this fee will be adjusted with the loan processing fee.)
- Plus all actual expenses incurred for appraisal, survey, environmental, legal opinion, etc., will be reimbursed by the borrower on actual.

Loan Process Time:

- Upon receipt of completed Membership & Account Application and loan application with all the required documents, the Loan underwriting process will take at least 30 days subject to receipt of all the appraisal, survey, environmental and legal opinion reports received within 3 weeks' time. If the report is delayed then it will be take additional time.
- If the documents submitted are incomplete then the process time will begin from the date of receipt of additional documents.
- Appraisal, survey, environmental and legal opinion will take at least 3 to 4 weeks.
- Member has to sign the commitment letter on approval of the loan, thereafter the process of appraisal, environmental and survey will start.
- Loan closing process will began after completion of all the reports.

Document & other requirements:

What we look for in a Real Estate loan application:

- Steady income sufficient to repay the loan and other obligations.
- A good past credit history – both business and personal.
- Sufficient collateral that is readily identifiable, with a wide market of resale.
- Financials in line with or exceeding peers.
- Minimum 20% owner equity in the property.

Often, a company's business cannot provide the level of information we request. In that case, we will review the loan with the information presented. If the information provided is not sufficient to grant the loan, we reserve the right to require additional information. The loan may be considered for approval on the basis of the collateral offered i.e. appraised property, financials and loan documents.

To provide a complete application, please enclose the following items:

- Completed Membership and Account Application. (refer attached check list for document requirement)
- Completed Real Estate Loan Application. (refer attached check list for document requirement)
- A Cashier Check, Check or Money Order for loan process fee (nonrefundable).

For new/existing businesses:

1. To provide last 3 years company's financial statements and tax returns, as well as current (to within 3 months) financial statement (including income statements, balance sheets, and supporting schedules). Statements must follow Generally Accepted Accounting Principles. Financial statements must be accompanied by an accountant's review or audit - a compilation is not acceptable.
 2. A Personal Financial Statement from each principal of the business.
 3. A description of collateral to be offered or to be purchased.
 4. Pro-forma financial projections quarter by quarter basis for 2 years or the length of the loan, whichever is less.
 5. If the company is a corporation, association, limited company etc. include a copy of the certificate of incorporation and a resolution from the Board of Directors authorizing to open an account with PMFCU and request to avail the loan and designating authorized Directors who will sign account and loan documents. The authorized Directors will provide their personal guaranties.
 6. Personal guarantee(s) of the company director(s) is required for the loan. A personal guarantee demonstrates the signer's commitment to seeing the business succeed, and means that the principals are personally responsible for the loan payments.
- Pioneer Mutual Federal Credit Union reserves the right to change the above requirements from time to time as and when it deems necessary.
 - Loan underwriting (processing) and loan documentation will be done by PMFCU's third party service provider.
 - The CREL loan is subject to Credit Committee & Board of Director's approval.

**COMMERCIAL REAL ESTATE LOAN (CREL)
DOCUMENT REQUIRED CHECK LIST**

<u>CREL Loan Application</u>	
1	Business Loan Application / Business Information (Format Attached)
2	Collateral - Buy/Sell Agreement (New)
3	Title Document / Payoff Statement (Refinance)
4	Current Business Insurance Policy
5	Business Licenses (Sales Tax Permit) (Refinance)
6	Loan Processing Fees as per Rate and Fee Schedule (Non-Refundable)
<u>Business Information</u>	
1	Tax Return of Business - Last Three Years:
	Year 2015 (If not filed for 2018 Tax Return)
	Year 2016
	Year 2017
	Year 2018
2	Balance Sheet & Income Statement business - Last Three Years:
	Year 2015 (If not filed for 2018 Tax Return)
	Year 2016
	Year 2017
	Year 2018
3	Financial Statement up to last quarter or (90 days or less) for all corporation over 20% shares
4	Profit & Loss Projections – On Quarterly Basis for one year
5	History of Business and Business Plan
<u>Personal Information – Borrower(s)</u>	
1	Personal Tax Return– Last Three Years:
	Year 2016
	Year 2017
	Year 2018 (2015 needed if not filed for 2018 Tax Returns)
2	Personal Financial Statement / Schedule of Debt and Current Cash Flow (Format Attached)
3	Personal Cash Flow – 12 months
4	Personal Profile or resume on all properties, partners, directors, guarantors
5	Legible copy of ID/DL / green card (if applicable)

**COMMERCIAL REAL ESTATE LOAN (CREL)
DOCUMENT REQUIRED CHECK LIST**

<u>Membership and Account Application</u>		
	1	Business Account Card (Form Attached)
	2	Business Membership and Account Agreement (Form Attached)
<u>Company Registration and DBA Documents</u>		
	1	Certificate of Incorporation/ Partnership Agreement
	2	Articles of Incorporation/ Certificate of Partnership
	3	Corporate By-Laws
	4	County Assumed Name Certificate
	5	State Assumed Name Certificate (if Corporation)
	6	Borrower's Resolution (Partnership or Corporation)
	7	TIN Certificate
	8	Business Account Opening Fees