

Ground-Up Construction

Construction financing for 1–4 unit infill development on single lots and small schemes. Experience-gated, and leverage moves with permit status.

Up to 75%

OF LAND VALUE, PERMITTED

Up to 90%

LOAN TO FINAL COST

Up to 70%

AFTER-REPAIR LTV

PROGRAM TERMS

Loan amount	\$50,000 – \$1,000,000. Above \$1,000,000 subject to underwriter pre-screen, \$3,000,000 maximum. \$50,000 minimum per property on multi-collateral loans.
Loan purpose	Purchase or refinance of land, or of a structure to be demolished, for construction of non-owner-occupied 1–4 unit residential. Infill lots in urban and suburban areas; single lots or small developments.
Term	12 months. 18–24 months available subject to pricing adjustment. Extensions of up to 50% of the original term, for a fee.
Initial advance	Up to 75% of the lesser of purchase price and land value with permits in hand; 60% without permits, with a 15% catch-up draw once permits are received and approved.
Construction holdback	100% of the construction budget, disbursed on inspected draws.
Maximum loan to final cost	85%; 90% with a financed interest reserve.
Maximum LTV	Up to 70% of after-repair value.

Interest reserve	Up to 6 months of interest may be financed into the loan, up to 5% of cost basis and subject to leverage limits. One month's interest reserve at close is mandatory.
Amortization	Interest only, balloon at maturity.
Interest accrual	As-disbursed on loans of \$100,000 or more; charged on the total loan amount below \$100,000.
Minimum FICO	680. Below 680 not permitted.
Experience	At least one verified ground-up build in the last 3 years, or significant fix-and-flip experience in line with the project. First-time and lightly experienced sponsors are not eligible. Construction budget capped at 2x the highest verified past project, up to \$500,000.
Deal economics	Underwritten to a minimum 20% return inclusive of closing, carrying and selling costs, or to a DSCR exit at market rates where the return test is not met.
Net worth	Guarantor net worth of at least 10% of the loan amount.
Recourse	Full recourse. At least 51% of the borrowing entity must guarantee; all members on cash-out refinances.
Borrowing entity	LLC or corporation required. Nonprofits and charitable organizations not eligible.
Foreign nationals	Eligible with valid passport, valid US visa and US FICO where a personal guaranty is used.
Prepayment	No minimum interest earned.
Credit history	Bankruptcy discharged and foreclosures completed more than 4 years ago; between 4 and 7 years a 3-month interest reserve is required. One mortgage late in 12 months requires a 12-month interest reserve. Tri-merge report no older than 180 days.

Refinance of owned land	Land must be seasoned 3 years, or permits obtained after acquisition. Paying off a bridge or construction lender, or a loan carrying default interest or fees, is not permitted.
Plans and permits	Building plans, sketch and elevations required. Where permits are not yet in place, an architect letter stamped by a licensed architect or engineer. Site plan on multi-collateral loans.
Appraisal	Dated within 120 days, or 120–180 days with recertification of value. One appraisal per unit on condo development.
Assignment fees	Wholesale or assignment fees permitted up to 20% of the original purchase price. Full chain of contracts required; double assignments at lender discretion.
Larger schemes	Development of 3 or more properties requires five or more verified builds, 10% post-close liquidity, a 30% target return and a third-party feasibility study on 5 or more units.
Attorney opinion letter	Required above \$500,000 in NJ and NY, and above \$1,000,000 in every other state, whether or not it is an attorney state.
Points	Maximum 5 total points on the transaction.
Pricing	Call for quote.
Geography	Available in 37 states and the District of Columbia: AL, AR, CO, CT, DC, DE, FL, GA, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MS, MO, MT, NE, NH, NJ, NM, NY, NC, OH, OK, PA, RI, SC, TN, TX, VA, WV, WI, WY. Reduced leverage applies in FL and LA and in select counties. Four Florida counties (Lee, Charlotte, Sarasota, Collier) and Baltimore City are closed. Prepayment provisions vary by jurisdiction and transaction: several states prohibit a prepayment penalty outright and others cap it by loan size, term or property type, so the provisions available on a given loan are confirmed when the scenario is quoted.

Eligible

- ✓ Single family residence
- ✓ 2–4 unit multifamily
- ✓ Condominiums, 4 units maximum
- ✓ Townhomes
- ✓ Planned unit developments
- ✓ Infill lots in urban and suburban areas
- ✓ Non-owner occupied only

Not eligible

- ✗ Mixed use
- ✗ 5+ unit multifamily
- ✗ Condotels
- ✗ Co-ops
- ✗ Mobile / manufactured
- ✗ Commercial
- ✗ Log homes
- ✗ Leasehold
- ✗ Oil or gas leases
- ✗ Operating farms, ranches, orchards
- ✗ Vacation or seasonal rentals
- ✗ Unique, exotic or luxury
- ✗ Unpaved / dirt roads
- ✗ Large tracts, rural or remote sites

WHAT WE NEED FROM YOU

- 1 Property address, purchase contract or original settlement statement, and payoff letter if applicable
- 2 Building plans, elevations and site plan, with permits or a stamped architect letter
- 3 Line-item construction budget and scope of work, including costs already spent on a refinance
- 4 Borrower track record — verified ground-up builds within the last three years
- 5 Guarantor FICO, GC contract or licence where applicable, and entity formation documents

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All financing is subject to complete documentation, verification of business purpose and non-owner occupancy, underwriting, appraisal or other valuation, title and insurance review, property eligibility, sponsor and guarantor review, final credit approval, and execution of definitive loan documents. Third-party capital providers and service providers may assist RED with underwriting, credit

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