



JUMPSTARTGERMANTOWN

Improving Our Community One House at a Time

LOAN PROGRAM

Funds Available to Purchase and Rehab Houses!

Jumpstart Germantown offers loans to help you purchase and rehab residential properties in Germantown & adjacent neighborhoods (Mt. Airy, East Falls, East Oak Lane, West Oak Lane, Nicetown/Tioga, Logan, Ogontz). You provide a 15% equity contribution and we'll loan you up to 85% of the total acquisition and construction cost.

Funds are disbursed as work is completed. The \$1,500 commitment fee covers up to 4 inspections, which occur before each draw. Interest on the loan begins to accrue as funds are disbursed. However, no loan payments are due until the final draw has been paid.

After the final draw, accrued interest will be added and monthly interest-only payments are due until the property is sold or refinanced. You have 9 months from settlement to pay off the loan, but can request 3 month extensions for 1% of the total loan amount.

Jumpstart Germantown requires title insurance for the total loan amount and will place a 1st position lien on the property. Most fees, other than the \$1,500 Loan Commitment Fee, can be financed and are not due until the property has been sold or refinanced.

Loan Costs:

2% Loan Financing Fee

6.5% Annual Interest Rate

\$1,500 Commitment Fee – covers 4 inspections, additional inspections \$250 each

\$250 Legal Fee – if mortgage & promissory note templates used, actual cost if legal negotiations are required

**Fast, Easy
Approvals**

**Finance 85% of
total project cost**

**6.5% Annual
Interest Rate**

**9 Months to Buy
and Rehab, then
Sell or Refinance**

**No Loan Payments
Due Until After
Final Draw**

**Funds Advanced
as Work is
Completed**

JUMPSTART GERMANTOWN
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Apply online – phillyofficeretail.com/loan-program/

HOW IT WORKS

Apply Online

Online loan applications are accepted at any time. Loan applications must include a construction budget, estimated cost of acquisition, profit & loss statement, and comparable value of similar homes in the area (comps). Please use the Development Budget and Profit & Loss statement worksheet provided on the website. Please note, if you plan to buy and hold the property, we require a satisfactory credit check to ensure you will be able to refinance.

Property Visit

After we review the application, you will be contacted to set up a time and date to tour the property and discuss the project. During the visit, budget numbers will be reviewed to determine if they are accurate. Jumpstart Germantown staff will offer suggestions and advice as they tour the property and ensure the development project is sound and viable.

Letter of Commitment

After the property tour, assuming the loan application has been accepted, you will receive a Letter of Commitment. This Letter will list the terms of the loan in detail and should be signed and sent back to our offices with the \$1,500 commitment fee in order to accept the loan.

Details

As stated in the Letter of Commitment, title insurance, in the full amount of the loan, must be purchased on the property at settlement. The Buyer's Equity (typically 15% of total acquisition and construction costs) must be paid at settlement. Jumpstart Germantown will fund the remainder of the acquisition costs. The remainder of the loan proceeds will be used for construction. You will have 9 months after settlement to finish construction and sell the property or refinance the loan to pay off the Jumpstart Germantown loan.

PRE-APPROVAL PROCESS

Found a Property in Which You're Interested?

If the property is not under agreement, we can provide a Pre-Approval letter showing proof of funds to help strengthen your offer. If you have a signed agreement of sale, we will review your loan application and go through the steps above. Please note that a Pre-Approval letter does not guarantee funds.

LOAN EXAMPLE

Purchase Price: \$50,000

Settlement Costs (5%): \$2,500

Construction Costs: \$50,000

Total Project Cost: \$102,500

Loan to Cost (LTC) 85%: \$87,125

Loan Costs: \$1,992.50 (2% of \$87,125 + \$250 Legal Fee)

Max Jumpstart Germantown Loan Amount: \$89,117.50

At Settlement:

Amount Needed to Purchase: \$52,500

(15% Borrower Equity: \$15,375
Jumpstart Funds Provided: \$37,125)

Jumpstart Germantown Funds Remaining for
Construction: \$50,000 (\$87,125 - \$37,125)

Estimated Monthly Payment: \$482.72*

(\$89,117.50 x 6.5% / 12 months)

*will change based on amount of final accrued interest

Apply online – phillyofficeretail.com/loan-program/