

# Asset-Based Advantage

Evaluate the property equity and a credible repayment plan.

**STANDARD $1M CAPACITY | LOWER PURCHASE / ARV LIMIT**

## Who it is for

Business-purpose investors whose income documentation or credit profile does not fit a standard program. The flyer describes equity-focused underwriting, while the property, borrower and exit still require review. Asset-based does not mean that every credit history, collateral type or requested structure is acceptable.

## Ideal transactions and collateral

An eligible investment acquisition with supportable purchase and completed-value evidence and a realistic use of funds. Explain existing liens, condition, occupancy and any work planned. A headline advance is not the same as cash available for every closing cost, repair and holding expense.

## Credit, experience and liquidity

The flyer lists standard capacity of $1 million, an 80% purchase reference and a 65% ARV cap, with the lower applicable limit controlling. It publishes no minimum credit score and leaves qualification subject to review. That wording does not establish a universal credit waiver or guaranteed terms. Explain experience, existing obligations and cash available for closing, contingencies and any holding period. Disclose partner or borrowed funds and other projects drawing on the same resources.

**BRING THE COMPLETE FINANCING SCENARIO**

Collateral + value + existing obligations + requested funds + exit



Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.

# Asset-Based Advantage | Planning guide

## Advance and valuation framework

Keep purchase-based financing and the after-repair-value cap separate. Ask which purchase costs are eligible and how the lender supports ARV. The more restrictive constraint can govern, with fees or reserves affecting usable proceeds. Disclose whether improvements require additional cash or an approved rehab commitment rather than assuming all work is funded.

## Execution and funding mechanics

Explain why the selected route fits the documentation and credit profile. Confirm the evidence required for equity, ownership, funds and the exit. Ask for the closing advance, any holdback, interest basis, maturity, fees, guarantees, prepayment and extension terms together. Compare the complete cost with the intended holding period.

## Collateral and location considerations

Confirm the collateral's legal use, access, occupancy, condition and insurance suitability. Identify material title, lien, damage, environmental or specialized-use issues early. Ask what evidence and third-party review the selected transaction requires. Geographic restrictions and accepted collateral can differ by program. A program label or a marketing valuation does not establish eligibility. Keep unresolved conditions visible in the submission rather than relying on them being waived before closing.

## Repayment and downside planning

Define the actual repayment source before relying on the advance. Where repayment depends on a sale, refinance, resale closing, note collections or restructuring, support that path with the relevant evidence. Model a delay and identify funds available for interest, expenses and other obligations. Ask about maturity, repayment controls, prepayment and any extension conditions. Future financing, an extension, a sale or an expected collection is not guaranteed. Compare the proposed payoff with expected net proceeds after transaction expenses and other claims. Identify who controls the repayment funds and what evidence supports their availability. If the primary exit depends on another lender or purchaser, explain the remaining conditions and a practical alternative. A strong collateral position alone does not establish that the planned repayment will occur on schedule.

## Documentation to prepare

Provide purchase or payoff details, current photos, value support, experience, funds available and the proposed repayment source. Ask for the actual income and credit checklist; the flyer does not promise that all financial documentation is eliminated. Ask for the selected route's actual checklist and identify information still pending. The initial inquiry should explain the transaction clearly; sensitive identity, account, borrower or case documents belong in the secure follow-up process.

## Questions to resolve before closing

Review the complete financing structure rather than one headline maximum. Clarify the amount available at closing, any subsequent release of funds, interest calculation, all fees, guarantees and the conditions still outstanding. Match the loan term and repayment mechanics to the documented business plan. Keep a separate cash plan for costs not funded by the loan and ask how material changes affect the original approval.

## Limitations and program review

All terms require borrower, credit, collateral and program approval and may not apply together. No published minimum credit score does not mean no credit review. Confirm the approved use of funds, advance basis, fees, guarantees, reserves, funding conditions and repayment terms in writing. This is eligible business-purpose financing, not a consumer home mortgage. Educational preparation questions do not add undisclosed lender policy. Final approved documents govern the transaction. Before accepting terms, reconcile the written offer with your own sources-and-uses schedule. Separate gross loan proceeds from usable cash and identify every payment expected before payoff. Ask the financing team to explain any condition you cannot document or satisfy. Request clarification of conflicting assumptions before scheduling a closing; an early indication should not be treated as final funding authorization.

**LET'S REVIEW YOUR NEXT FINANCING TRANSACTION**

Request a quote | KarpataFinance.com | 480-846-1001



Subject to underwriting. Not a commitment to lend. Images are AI-generated and illustrative.