

Assumption Guidelines for Wells Fargo Securitized Loans
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Contact:

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(AMFI) serviced securitized loans***

I. Assumption Underwriting Package Requirements

A. Key Principal(s)

1. Federal Tax Returns for previous three years
2. Credit Report
3. Statement of managerial experience
 - a. Address other properties managed by the principal (ie. number of units, type of property, experience, expertise, etc.)
4. Current certified financial statement and previous year
5. Schedule of Real Estate Owned
6. Current bank and investment account statements

B. Proposed Borrower(s)

1. Credit Report – Only if individual Borrower
2. Current financial statement and previous year
3. Federal Tax Returns for previous three years
4. Entity documents
 - a. If current Borrower is a single purpose entity, then the new Borrower must be a single purpose entity
 - b. If a single member entity, must be formed in Delaware
5. Proposed organizational structure including ownership percentages
6. Schedule of Real Estate Owned
7. Current bank and investment account statements
8. Three Lender Reference Forms signed by both New Borrower and Lender

C. Property Manager (if not proposed Borrower)

1. Copy of property management agreement
2. Resume

D. Guarantor(s)

1. List of all persons being proposed to sign as replacement guarantors
2. Resume
3. Current financial statement and previous year
4. Credit Report

E. Fully executed Purchase Contract

F. Property Operating Statements

1. Income and expense statements for the previous year, certified by current Borrower

2. Year to date income and expense statement, certified by current Borrower
 3. Current certified rent roll
 4. 12 month projected cash flow
- G. Market Update
1. Three recent sales transactions in the sub-market comparable to subject property
 2. Three recent leasing transactions in the sub-market comparable to subject property
- H. Written request from the existing Borrower
- I. Copy of 1031 Exchange Agreement (if applicable)

II. TIC Requirements

- A. TIC Agreement
1. Must be acceptable to Lender
 2. Each tenant must be a single purpose entity
 3. Shall not be amended, modified or terminated without Lender consent
- B. TICs will be jointly and severally liable on the Loan
- C. Each TIC will sign an assumption agreement and Guaranty (if applicable)
- D. Tenants
1. An additional \$1,000 processing fee will be charged per tenant (maximum number of TICs is three)
 2. Must make a minimum equity contribution of \$500,000
 3. Must qualify for the loan on a “stand-alone” basis independent of other TICs
- E. Opinion letter from counsel regarding the formation of TIC
- F. Single Member LLC
1. Any TIC that is a single member LLC must be formed in Delaware
- G. Reverse 1031 exchanges are not permitted

III. Post-Approval

- A. Required Documents
1. Fully executed counsel opinion letter
 2. Updated title report
 3. Property and liability insurance certificates
 4. Fully executed entity documents
 5. Transfer Deed
 6. Survey – if any material changes to the land or improvements have been made after closing of the original loan
 7. W-9 Form
 8. Settlement Statement

Disclaimer:

Lender reserves the right to exercise all rights and remedies under the various loan documents.