

The Lending Process



Thank you for your interest in our commercial lending programs! Due to the number of projects that are submitted to us, we have prepared this sheet to answer many of the most common questions regarding our policies and review process.

Funding Source

Northwind is part of Red Oak Capital, a licensed direct private capital provider and financial partner for commercial real estate assets and corporate finance transactions. We fund debt and/or equity structured transactions for unique or difficult situations. We may participate on either the debt and/or equity side of a transaction. Any submission involving financing greater than 75% LTV will require a debt/equity solution. Northwind is also a direct correspondent lender for other financial hedge funds and institutions. In some situations, based upon transaction requirements (such as international laws or regulations, securitizations, affiliates or SEC requirements), we may be required to act as authorized or registered agent. Regardless of the funding source for placement, Northwind will evaluate all relevant options for clients, and act in the clients' best financial interest for structuring the transaction.

Upfront Fees

As a direct lender and capital provider for more than 20 years, **Northwind DOES NOT CHARGE UPFRONT FEES**. However, **we do not advance expenses on your behalf** either. We will conduct initial review and underwriting of the project and sponsor(s), conduct conference calls, and issue a LOI/Term Sheet in advance. You will have the opportunity to speak directly with us, any affiliates; review terms, rates, fees and anticipated expenses; and accept our loan offer – **prior to committing any funds**.

Once you have accepted our offer, then we are required to conduct due diligence on the project. This will include background & credit checks (company and each primary principal), project/sponsor verifications, possible site visits, third-party reports (such as environmental, structural or engineering, etc.), governmental permits, appraisal, insurance, bond or securitization underwriting, and similar costs. The Client is responsible for all of these advance expenses. As such, a performance retainer will be required to cover such costs and expenses. This is placed into an escrow account for the benefit of the project. This amount will vary based upon the loan and anticipated expenses, and **will be fully credited at time of closing**. We do not earn or charge any fees unless the loan closes. The performance retainer insures that necessary expenses will be covered, and upon final approval, we can commit the funds to your closing. **If you do not have the proper fees available to cover the expenses of the transaction, then please do NOT apply for financing through us.**

Again, we will provide you with a detailed breakdown of anticipated expenses PRIOR to your commitment, but we will not pay for your advance expenses.

Loan Approval & Funding Process

Our goal is to fund your project, but (*of course*) not all projects are fundable. Our system is designed to quickly discern which transactions do or do not fit our lending profile, and support the ones that do.

While every transaction is different, the basic process that we follow is the same. Here is the anticipated flow of a typical transaction:

1. Client submits Executive Summary Package for review (*must be detailed and contain all required information and attachments*).
2. Project is reviewed by our lending committee for acceptance.
3. Project is accepted (*pre-underwriting*) – LOI/Term Sheet is issued for Client review.
4. Conference call scheduled with Principals to discuss terms, process, estimated expenses, timeline, etc.
5. Client provides additional documentation and required underwriting forms/conditions.
6. Project receives approval (*conditional*). Funding Agreement issued and accepted by Client.
7. Performance retainer placed in escrow for engagement; due diligence, third-party expenses, etc.
8. Full processing. Additional conference calls, due diligence, inspections, reports and conditions as required based upon project type and underwriting.
9. Final underwriting approval and Client acceptance of Commitment.
10. Pre-close review – valuation, legal, compliance, environmental, etc.
11. Closing package issued, executed, and funding of loan.

Again, you do not pay any upfront fees or expenses until you have received, reviewed, and accepted an offer from us. We do not advance expenses, and you will be required to demonstrate that you have the estimated expenses available in liquid assets to cover and pre-closing expenses and down-payment or cross-collateral requirements. **THERE ARE NO EXCEPTIONS.** We do not want to spend a lot of time, energy and resources working on a project where the sponsor cannot cover their expenses.

To Get Started

Review our loan guidelines and categories. You can either submit your project information to us online at our website, or email it to our intake desk at Submissions@NorthwindFinancial.com. You will receive a confirmation, and we will let you know of status shortly thereafter. Submissions which do not fit into our lending programs, or are incomplete will be ignored and deleted.

Because of the volume of loan requests that we receive, we cannot reply to general project submission emails, or phone scenarios. We will provide guidance on our loan program requirements, but cannot evaluate specific projects without detailed information.

Northwind Financial Corporation

Northwind Financial is part of Red Oak Capital, and is a licensed brokerage and lender, headquartered in Grand Rapids, Michigan, USA. With over 20 years of experience, we have funded billions of dollars in financing for projects around the world.

We are rated A+ with the Better Business Bureau, and a member of various US and international associations.

Our experienced team of industry experts has been providing lending services for more than 25 years, and has programs that can be customized to fit your requirements. We look forward to partnering with you on your projects success!

Visit our website at www.NorthwindFinancial.com for a complete listing of our services and programs!



A+ RATED

