



 **Scotiabank**

Pre-sale mortgage

Pre-sale mortgage allows the construction of houses and condominiums with the mortgage given to the final buyer, it is a credit for buying a property during the construction process with benefits for the client and for the developer.

Loan to value: Up to 65% of the property value

Disbursements: Disbursements are made according to the construction advance up to 3 disbursements

Technical review:

This Technical review will indicate the required construction advance to make the disbursements.

A technical review is required for each individual property to be financed

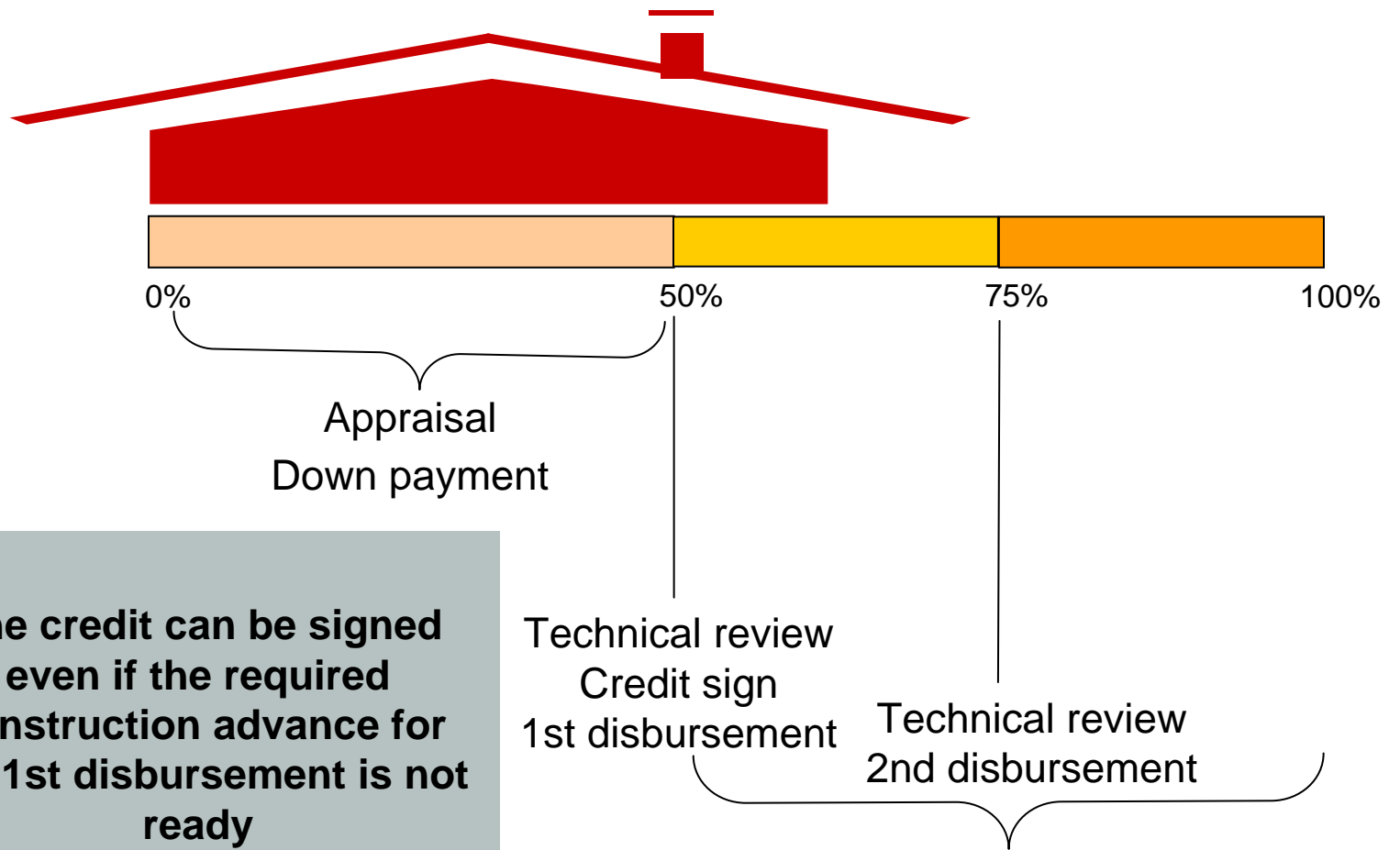
With construction supervisions the construction advance is confirmed and the disbursements are authorized.

Condominiums

- The credit is given up to 2 disbursements, at a 50% of construction advance and the second at a 75% of construction advance.
- A 50% construction advance is when the building structure is finished (columns and floors), the outflows of the sanitary facilities and the condominium to be financed is closed (walls).
- A 75% construction advance is when the condominium has plaster, kitchen and sanitary facilities, carpentry is beginning, tiles almost finished, metallic structure for ceiling, air outflow, floor finished and ready for carpet , laminated floor, etc.

IMPORTANT: The construction advance of all the development is considered separate from the construction advance of the individual property that will be financed. Scotiabank consider the construction advance of the individual property to make the disbursements.

Condominiums



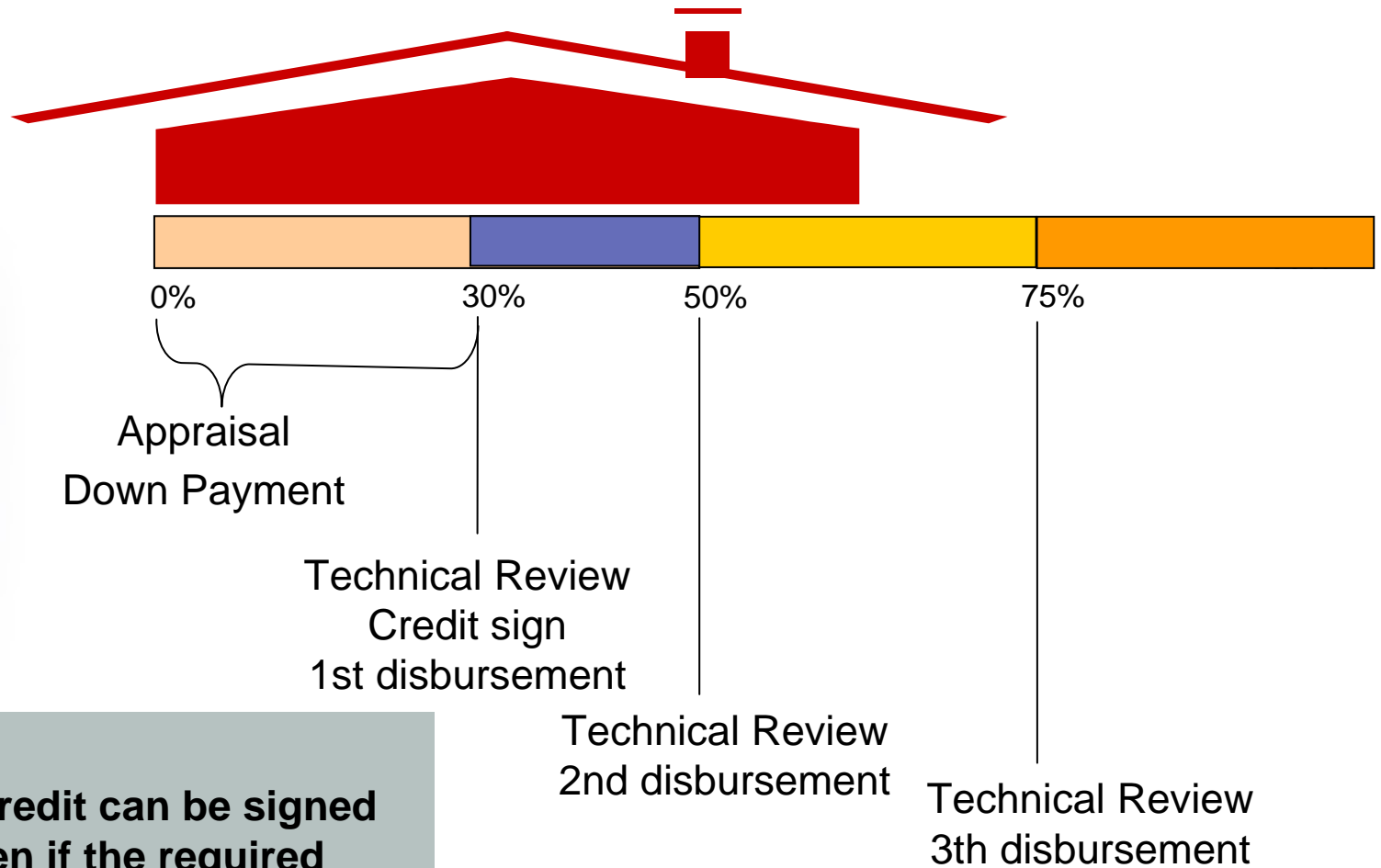
The credit can be signed even if the required construction advance for the 1st disbursement is not ready

When the first disbursement is done the construction should be finished within the next 12 months.

House:

- The credit is given up to 3 disbursements, the first at a 30% of construction advance, the second at a 50% of construction advance and the last at a 75% of construction advance.
- In this case it is very important the construction budget for each house.
- A 30% construction advance is when the foundations are finished and the first level walls, septic drain excavations, light connections.
- A 50% construction advance is when are finished the raw structure, the ducts for the electric wiring installation and the outflows of the sanitary facilities.
- A 75% construction advance is when the house has plaster, kitchen and sanitary facilities, carpentry is beginning, tiles almost finished, metallic structure for ceiling, air outflow, floor finished and ready for carpet , laminated floor, etc.

Houses



The credit can be signed even if the required construction advance for the 1st disbursement is not ready

When the first disbursement is done the construction should be finished within the next 12 months.

Benefits for the client:

- Make the title deed in a construction stage saves money with the notary process and the register of the title when it is approved by the notary
- Signing the credit assure the conditions of the credit (rates) during all the construction process.
- The purchase value could be cheaper.
- The monthly payments are only over the amount disbursed.

Benefits for the developer:

- Decreases the financial cost during the construction stage.
- Confirm the sale before finishing the house
- Get resources for the construction.



Get approved the development.

Before the signing of the credit:

- The condo regime must be done.
- Get the land taxes bill individualized.
- It should exist in addition to the purchase contract a construction contract with the total purchase value between the client and the developer assuring the construction.

Credit schemes

Currency	U.S. Dollars			
Terms	10 years	15 years	20 years	15 years with a 30 year amortization
Interest Rates	7.59% fixed for the first 5 years, Libor + 3.75% for the remaining term	7.80% fixed for the first 5 years, Libor + 4% for the remaining term	7.99% fixed for the first 5 years, Libor + 4.25% for the remaining term	8.75% fixed for 15 years
Up front commission	2% over the loan amount			
Prepayment fee	2% applicable only during the first 5 years			
Monthly payment (per thousand of loan)	U.S. \$11.92	U.S. \$9.45	U.S. \$8.36	U.S. \$7.87 fixed
Life Insurance	\$0.43 per thousand (based on outstanding balance)			
Damage Insurance	\$0.26 per thousand (based on destroyable value of property)			
Purpose	Purchase or Pre-sale			

- Age Range: from 25 to 64 years 11 months
- Debt / Income: 35%
- Payment / Income: 20%
- FICO Score: 680+
- Max LTV: 65%
- Minimum Property Value: US \$100,000
- Minimum Loan: US \$ 50,000
- Maximum Loan: US \$750,000