# Customer profile, underwriting policies and use of funds

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fraction

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# Is Fraction right for your client?

# **Best fit**

### Low LTV Homeowners with lower LTV's are more

and LTV

downsizing.

situation

likely to qualify and realize the full benefits of a Fraction Mortgage. <u>Click here</u> to see our latest terms, rates

Considering a reverse mortgage Similar benefits to a reverse mortgage,

such as no monthly payments, but with

# more flexible terms.

Planning to eventually downsize Fraction helps homeowners increase their quality of life in the years leading up to

### Anticipating improvement to financial

Fraction can lower the cost of servicing debt, giving borrowers room to improve their position.

### an irregular income, Fraction will use alternative means to verify income, such as

Irregular income

savings or investments. Low income We only verify income to ensure the borrower has sufficient funds to cover

If an applicant is self-employed and/or has

# home related expenses and other debt

obligations, making this a great option for those on a pension or disability income, or social security. fraction

**High LTV** 

Poor fit

Wants a fully amortizing loan Alternative: cash-out refinance

Alternative: HELOC, home equity loan

### Looking for a second lien Alternative: home equity loan or second-lien HELOC

Alternative: reverse mortgage

Term length matters more than keeping equity



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### Home improvements No monthly payments allow borrowers to optimize cash flow during costly renovations.

**Best use of funds** 

## to-income by as much as 50%. Investment

**Debt consolidation** 

Borrowers can diversify their home investment into new assets and income sources.

Retirees can use the Fraction Mortgage to supplement income, fund long-term insurance,

Fraction has helped borrowers lower their debt-

# or buy annuities.

Loan amounts

Minimum Credit Score

Retirement

### Dividing property In a divorce, taking out a Fraction Mortgage allows

Medical debt

Buying a new property

second home or rental property.

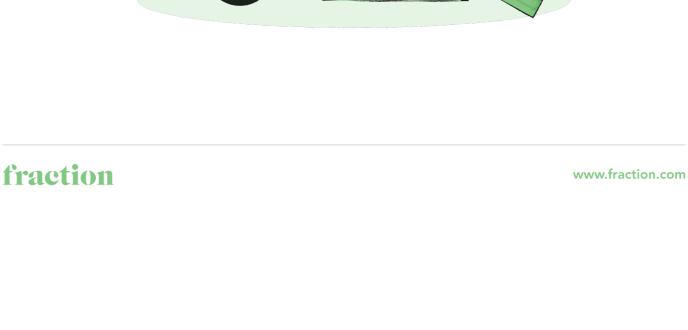
one party to buy out the other.

Use funds for a purchase or down payment on a

Access funds to pay down the debt without the

pressure of a monthly payback schedule.





Maximum Ioan amount: \$1,500,000

Eligibility & underwriting guidelines

Age requirements	18+
Property type	Primary residential freehold:  • Detached  • Semi-detached  • Townhomes  • Condos
Use of proceeds	No restrictions
Loan position	<ul> <li>Must be secured in First Priority or First Position</li> <li>The homeowner can use the proceeds of the loan to payoff existing debt secured by the property</li> </ul>
Terms, Rates & LTV	<u>Click here</u> to see our latest terms, rates and LTV
Lender Fee	3% of total loan amount
	No prepayment penalties
Loan Purpose	Home equity release, refinance, purchase Minimum square footage: house is > 1200 sq./ft. above grade, condo is > 500 sq./ft.
Charge Type	Standard

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Minimum 640