



ASSET BASED LOAN (“ABL”) FAQ’s, PROTOCOLS & CONDITIONS

1. Inquire: You have most likely seen the ads or have been referred to 6 Degrees Financial Services Group, herein known as 6 Degrees FSG, by a friend or broker. Now you will want to know how this Asset Backed Loan called an “ABL” works and what the procedures are.
2. Application: After your inquiry, you will be sent a simple two-page application. Fill it in and provide 6 Degrees FSG with all requested documentation that is applicable to your particular loan request. Incomplete applications will not be processed, if you do not have a requested item please note that in the application so that we know that you are aware of the request and are working on that item. You will not be asked for Financials, Tax Returns and your personal or company’s credit will not be checked. However, if you are in or have filed Bankruptcy in last 7 years or have any legal pending lawsuits or judgements, tax liens of any kind that may affect the asset we need to know. That history will be checked. We can work around most issues if your honest and disclose this information to us. The lender makes fast decisions, usually within 48 hours, so if you are not disclosing something and it is discovered, the application will be rejected and never looked at again. (You must disclose any issue you have).
3. Term Sheet: Once your application has been received with all supporting documents 6 Degrees FSG will issue a Term Sheet within 48 hours excluding weekends and holidays. The term sheet will specify terms of the loan and the details about what is expected from the Borrower.
4. Executing the Term Sheet: The Borrower will then execute the Term Sheet and send this to 6 Degrees FSG along with any compliance documentation requested such as verifiable Proof of Funds for the Cash Down Requirement also known as the “CDR”, appraisal, survey, business plan or milestone charts (progression payments are made on construction loans and project financing). Please include any comments or request changes to the terms in this process.

5. Evaluation of Term Sheet: Once received 6 Degrees FSG will respond to any requested changes. If no changes are requested and the Borrower is set to go to the next step 6 Degrees Financial will issue a Conditional Commitment to Fund known as the “CCTF”.

6. CCTF: The CCTF letter will spell out the loan terms one more time for review and confirmation by the Borrower. In the CCTF letter the Borrower will receive the conditions for the closing of your loan and the closing date. Conditions may be one or more items, for example; Cash Down Requirement (“CDR”) amount, loan disbursement schedule, purchase contracts, appraisals, surveys, business plans, pro-formas on projects, and any other questions or conditions the Lender will require answered or performed prior to making the loan. The Closing Agent or Title Company will be included in the CCTF. If your loan is for non-US citizens or outside the United States 6 Degrees FSG will provide instructions that are more suitable for offshore transactions. The CCTF is a Conditional Commitment to Fund, once you meet these conditions you will be funded. If you cannot meet these conditions, please discuss them before executing the CCTF and funding the CDR requirement. In other words, if you have received a Term sheet and executed it we are interested in funding you. If you have received a CCTF and executed it and met all the conditions you will receive the loan.

7. DDP: The Due Diligence Period is known as the DDP. The DDP will begin after the execution and funding of the CDR. The Lender will then begin performing their due diligence on the asset or project. Some projects are more complex and will require longer closing time frames. The more information supplied in the early stages will aid in expediting this process. (i) NOTE: all assets will be verified by lender or lenders agent at lenders expense. (ii) Any false information knowingly given to lender will result in immediate termination of the loan. It is during this time frame that the pre-buy inspections, surveys and appraisals will be performed and paid for by the Lender. Lender may independently at lenders expense conduct a market assessment of the asset of collateral being offered in the loan. The CDR will cover all the closing cost for the Borrower no additional capital is required from the borrower unless the appraised property valuation does not support the loan request as represented. Basically, the DDP is fact checking your transaction, so please do not make false or misleading statements or place inflated values on assets. Never has an ABL loan been made that assets were not fully verified, you can expect boots on the ground verification.

8. Pre-close checklist: 6 Degrees FSG will provide a pre-closing checklist for all parties involved in the closing of the transaction. It will be important to have everyone work towards a definitive closing date if the project and or asset is ready to close early.
9. Security Agreement or Note: 6 Degrees FSG will provide the loan docs 10 days prior to closing providing the DDP process is 100% completed. Your rates and terms re locked in upon execution of the term sheet and CCTF.
10. Closing: The closing will take place once all items are ready and all documents for the transfer of title or filing of liens are in place. 6 Degrees FSG will assist Borrower with closing protocols. The Closing Agent will be selected by 6 Degrees FSG who may from time to time act as closing agent. Closing agent will receive the loan proceeds, 3 days prior to closing from the lender. Prior to closing all documents required must be executed and transferable title must be ready to execute. Depending on the type of loan all applicable registration and or deregistration forms for the assets(s) must be sent to the closing agent. In addition, a title search and title insurance may be required. At closing the closing agent(s) will record document and disburse funds according to the terms of the loan. Borrower will execute the Security Agreement /Note whichever is applicable by law.
11. Payments: Payments are due according to the terms specified in the Security Agreement/Note. Any late payment will be assed late fees as specified in the Security Agreement/Note. If the loan becomes more than 30 days past due lender will notify the Borrower that he is in default and may according to the terms of the Security Agreement/Note accelerate the entire note and Balance will be come due in full. In the event an asset or project is defaulted on by the Borrower, the Lender will seek every legal remedy afforded to him by law for the return of their money or the asset/collateral as specified in the Security Agreement/Note.
12. Success: It is our goal to provide you the highest level of customer service and a successful loan outcome. Our philosophy is simple, *“Do unto others as you would have them do unto you”*, ***The Golden Rule***. Therefore, we have designed a special lending opportunity based on this simple philosophy that if you succeed we succeed. We charge a flat rate closing cost, (the CDR) which is all inclusive to the closing of your loan. We do not object to rolling your closing cost into your loan if it helps you the borrower, but the Borrower must pay the CDR to be qualified, the CDR is the Borrowers investment into their own opportunity and to receive an ABL loan it is required without exception.

13. Acknowledgement: On this ____ day of _____ 2018 and by my signature I hereby acknowledge that I have been provided the information regarding the 6 Degree FSG ABL loan and that I have completed the ABL Application and that I will disclose all documentation requested regarding the asset or project to be funded.

Furthermore, I hereby state that I am ready to proceed with issuance of the Term Sheet and that I understand I will be required to fund the CDR prior to the DDP beginning and after execution of the CCTF. I understand that any false statements or misrepresentations of any asset or document presented by myself or others who represent me to 6 Degrees FSG, shall subject the loan to be terminated and the CDR retained as liquidated damages.

Borrower Signature: _____

Borrower Print Name: _____