

REQUIRED FOR MULTI-LENDER LOANS

Multi-Lender loans are only exempt from securities laws when certain criteria are met. Besides the requirement to employ a Loan Servicer, another crucial condition is the financial eligibility of all of the loans beneficiaries. It is a federal requirement that you as an investor in this type of loan, qualify under the following regulations.

Accredited Investor Financial Qualification Information—Required Credentials

Under the Securities Act of 1933, a company that offers or sells its securities must register the securities with the SEC or find an exemption from the registration requirements. The Act provides companies with a number of exemptions. For some of the exemptions, such as rules [505](#) and [506](#) of [Regulation D](#), a company may sell its securities to what are known as "accredited investors."

The federal securities laws define the term accredited investor in [Rule 501 of Regulation D](#) as:

1. a bank, insurance company, registered investment company, business development company, or small business investment company
2. an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan has total assets in excess of \$5 million
3. a charitable organization, corporation, or partnership with assets exceeding \$5 million
4. a director, executive officer, or general partner of the company selling the securities
5. a business in which all the equity owners are accredited investors
6. a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase
7. a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or
8. a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

By signing below you are affirming to Servicing Agent, Broker and Co-Lenders, your qualification as an "Accredited Investor"

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