

HARBOUREDGE MORTGAGE PROCESS WORKFLOW

Please note that HarbourEdge is not a mortgage brokerage. We do not originate our own loans and mortgages; we underwrite and administer them. All new loans and mortgages flow through independent, licensed Mortgage Brokers and Agents.

The HarbourEdge Loan Process in brief

- Mortgage Broker or Agent fees are paid directly by the borrower.
- Mortgage Brokers or Agents are required to vet the initial loan request before submitting a formal application or loan request to the underwriters at HarbourEdge.
- If the HarbourEdge underwriter believes that there is an investment opportunity for HarbourEdge, they will request additional information from the Broker/ Agent/ Borrower.
- Our HarbourEdge underwriters will assemble all of the applicable information and submit their recommendation to the HarbourEdge Credit Committee for further review.
- If interested, HarbourEdge will issue a formal offer to finance with established preconditions. (We do not issue Letters of Intent.)

Loan Process Workflow

- 1) Once the HarbourEdge underwriter has completed their review and determined that there is an investment opportunity for HarbourEdge, they will submit a credit review/request to the HarbourEdge Credit Committee and will specify the proposed mortgage structure (term, repayment structure, rate, fees security, reporting requirements) and other applicable terms, conditions and preconditions applicable to the credit application.
 - The HarbourEdge Credit Committee will conduct a thorough review of all documentation and materials submitted by the Broker/ Agent/ Borrower/ Underwriter and will either approve, restructure or decline the mortgage request.
 - Depending upon the depth and the quality of the information provided by the Mortgage Broker/Agent and the size and scope of the loan request our goal is to turn around most credit requests within 72 hours.
- 2) Upon approval by the HarbourEdge Credit Committee, we will issue the borrower with a formal offer to finance, delivered directly to their broker/agent to review and discuss.
 - HarbourEdge only issues formal offers to finance with established preconditions. We do not issue letters of interest. This way, the borrower and their broker know exactly what they must do trigger funding of their loan request.
 - All our loan commitments are fully open with no hidden or exit fees applicable. Rates are fixed for the term of the commitment.
 - Every loan is conditional upon a site inspection and due diligence review to be conducted by the HarbourEdge Credit Committee

- 3) Once the borrower accepts the offer and signs back the term sheet (Offer to Finance), the HarbourEdge Credit Committee will arrange to meet with the Borrower, the Mortgage Broker or Agent and visit the proposed location of the project and conduct a full and detailed due diligence review.
- 4) Once the HarbourEdge Credit Committee signs off on the site inspection and the due diligence review, the file is handed over to the mortgage administration group to follow up for receipt of all outstanding documentation or preconditions as specified in the offer to finance.
 - The amount of time that this takes most often depends upon the speed with which the borrower and their Mortgage Broker/Agent can deliver all documentation requirements to the lender as set out in the offer to finance.
- 5) Once the file documentation is deemed complete by the Mortgage Administration group they will forward a recommendation to the investment committee, obtaining approval to submit the mortgage instructions to HarbourEdge's solicitors to prepare the specified security documentation as set out in the offer to finance.
 - It is important to note that the lender's solicitor ONLY represents the interest of the lender and that the borrower is required to engage their own solicitor to act their behalf, thus avoiding any conflicts of interest.
- 6) Once the lender's solicitor is satisfied with the form and content of the security documentation, they will requisition funds from the Mortgage Administration group, who require the approval of the HarbourEdge Credit Committee to release the funds.
 - The amount of time that this takes most often depends upon the speed with which the borrower and their Mortgage Broker/Agent can deliver all documentation requirements to the lender as set out in the offer to finance.
 - The actual funding dates as set out in the commitment letter are determined based on discussions with the borrower. Most often we will endeavor to fund within 5 to 10 business days of issuing instructions to the solicitor.