

BN-Second Home Financing Program



New trend massive developing areas throughout the pacific coast of Costa Rica

ZONA PACÍFICO NORTE

NÚMERO DE PROYECTOS: 121

NÚMERO DE UNIDADES: 7.296

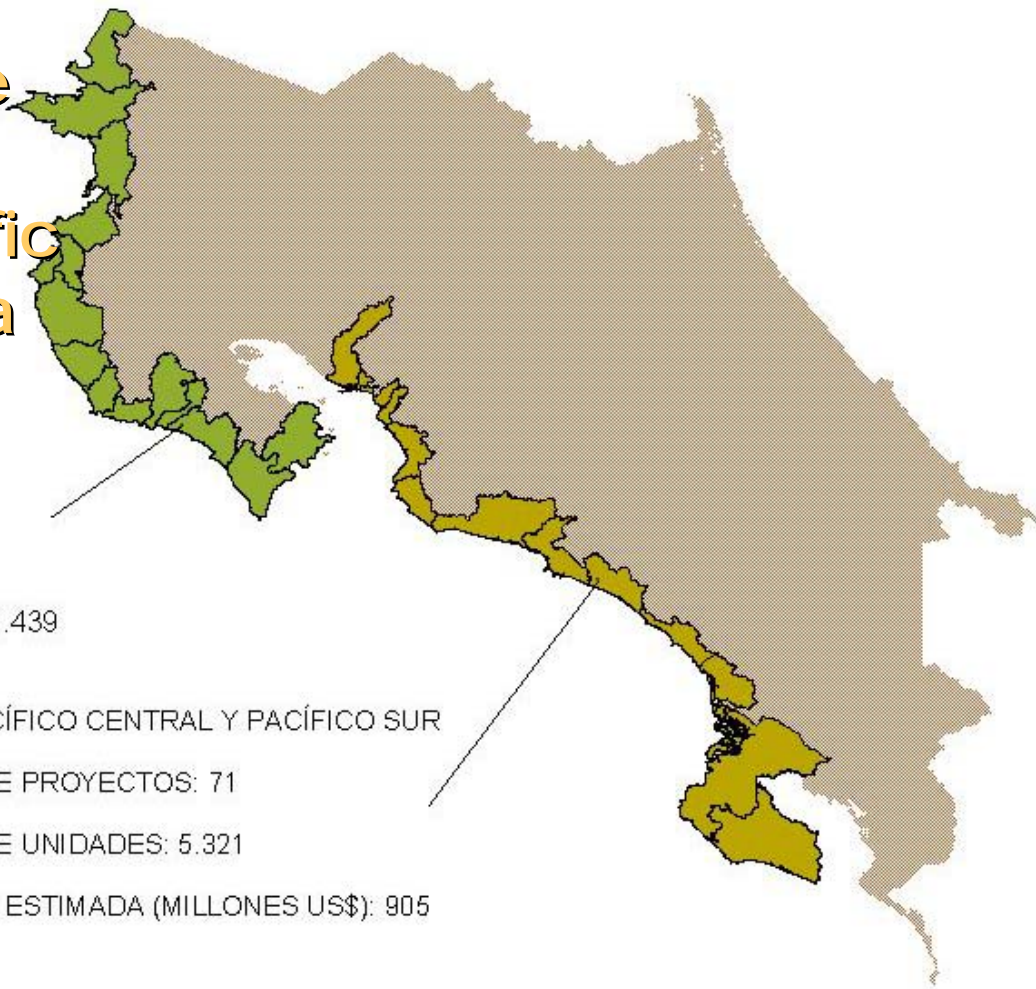
INVERSIÓN ESTIMADA (MILLONES US\$): 1.439

ZONAS PACÍFICO CENTRAL Y PACÍFICO SUR

NÚMERO DE PROYECTOS: 71

NÚMERO DE UNIDADES: 5.321

INVERSIÓN ESTIMADA (MILLONES US\$): 905



History

- Based on BN Experience:
 - Before only traditional home mortgage (SUGEF)
 - Then came Los Sueños and worked with Banco Nacional with a new product
 - Finally Banco Nacional decided to finance non residents



Our objective

- To create a banking product attractive for the American second home buyer:
 - Created for the American market
 - Same documentation as in the US
 - Customizable product depending on client and project
 - Can also be customized for the European Citizens
 - Ease and convenience for non residents!

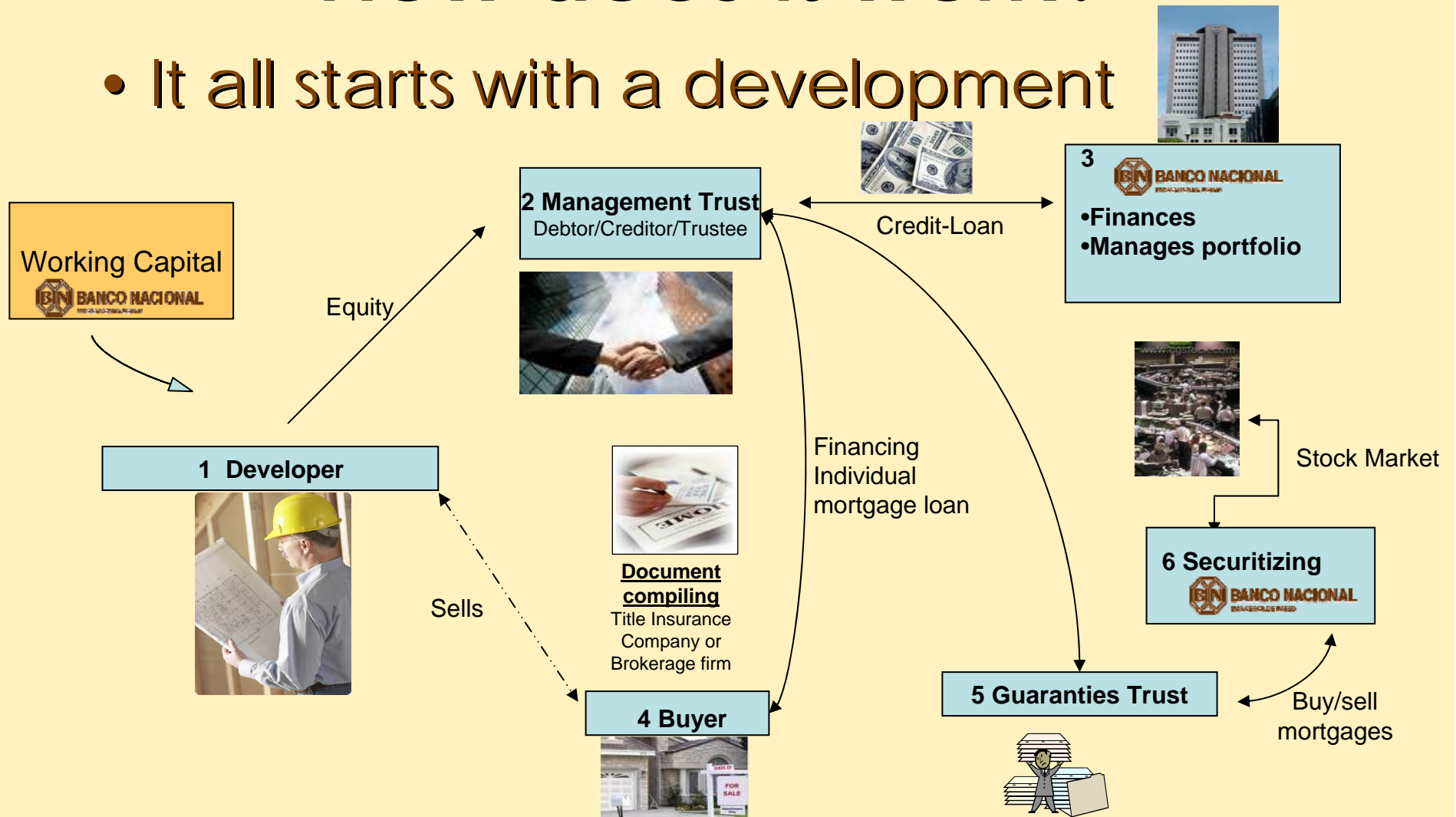
The product

- BN-Second Home financing program:
 - Client does not jeopardize US assets
 - Costa Rican property responds for loan
 - Property is titled to owner/buyer
 - Customizable to developer and client needs
 - Loan might be declared in US tax declaration



How does it work?

- It all starts with a development



Financial Conditions

Conditions	House, condominium or lot
Maximum loan term	House or condominium (Up to 20 years), Land (Up to 10 years)
Maximum Debt-to- Income Ratio (DTI)	30%
Maximum credit amount	Based on credit report
Creditworthiness	Minimum 680 points (good or very good)
Maximum Loan to value ratio (over appraisal)	Residents... Up to 70% Non residents....Up to 65%
Loan Amount	Over USD 800 thousand.....50% (*) USD 400 thousand to USD 800 thousand.....60%(*) Up to USD 400 thousand.....70%(*)
Annual Rate	1 to 12 months : Libor 6 months + 3.45 bp 13 to 36 months: Libor 6 months + 3.95 bp 37 to 60 months: Libor 6 months + 4.45 bp 61 to 96 months: Libor 6 months + 4.95 bp 97 to 240 months: Libor 6 months + 5.45 bp
Minimum Rate	1 to 12 months : 5.00% 13 to 36 months: 5.25% 37 to 60 months: 5.50% 61 to 96 months: 6.00% 97 to 240 months: 6.50%
Review and rate adjustment	Monthly
Application fee (one-time fee)	2.00%
Trustee Commission	Percentage to be defined in each case
Appraisal Fee	According to property and land specific characteristics
Insurance	Only Patrimonial (In Costa Rica)
Insurance title	Cost of insurance company
ACH (automated clearing house)	Depend on bank regulations
Credit record study	Supplied by major credit bureau
Credit enhancement	According to loan term, amount and rate



Requirements

CHECK LIST REQUIREMENTS

These requirements apply only to US and Puerto Rico citizens/residents**

This check list is provided to help gathering information to be included with loan application.

The basic requirements needed are listed below. The Fideicommissary Bank may ask for additional documentation necessary to determine risk and approval of credit proposal.

- Form of Authorization
- Sale Purchase Agreement (Earnest money Contract)(executed by Buyer and Seller)
- Passport's photocopies (borrower and co-borrower)
- Uniform Residential Loan Application, completed and signed by all parties
- W-2 forms for previous 2 years
- Personal tax returns (all pages) for prior 2 years (signed and dated)
- Original bank statements and/or brokerage account statements form, prior 3 months.
- Know your Customer form
- Corporate/Partnership tax returns with all financial statements attached for prior 2 years (signed and dated)
- Profit and Loss Statement for year to date (signed and dated)
- Year to date Balance Sheet (signed and dated)

Once approved we need the following (Stewart Title will coordinate)

- Cadastral Plot Photocopy (Survey Plan)

LOAN REQUEST WILL BE CONSIDERED WHEN FULL DOCUMENTATION HAS BEEN RECEIVED

- ACH Form (Automated Clearing House)

(*) Lower amount between appraisal and purchase price

(**)Other conditions may apply to other citizenships



Step by Step

- 1st stage Bank and Developer
 - Developer gets project approval
 - Appraisal is done
 - Bank and developer set all necessary figures for finance approval
 - Work sessions
 - Costs (both parties agree on how cost will be handled)
 - Legal (Developer lawyers meet bank lawyers to review trust and management contracts)
 - Value (revisal of appraisal)
 - Document compiling session
 - Constitution of administration trust
 - Bank sets aside funds for project financing
 - No charge will take place until funds are passed to the trust once the mortgage is presented by developer already registered at Registro Nacional

Step by Step

- 2nd stage Buyer / Trust
 - Developer puts documentation together
 - Directly or using Title Insurance Company or Brokerage firm
 - Using pre-established parameters
 - Developer makes and inscribes mortgages
 - Using Banco National formats only
 - In case of default, developer will have first option
 - Bank disbursement on every sale separately
 - Trust pays developer
 - Buyer will be charged monthly using ACH



**Vivienda
Inmobiliaria**