

Property Qualification Checklist

The 4 PQS Gates — all four must pass. Failing any one gate = DQ.

Don't try to make it work. Don't book the appointment hoping the Closer will figure it out. LM runs the gates on the phone; the Underwriter re-runs them against real data.

GATE 1 — OWNERSHIP

- ☐ Seller can legally convey — on title, all decision-makers aligned, title clean enough for a 45-60 business day retail close
- ☐ Underwriter: county records pulled — vesting confirmed, no estate/trust/co-owner surprises
- ☒ Kill: unclear ownership, active probate with no letters, divorce without judgment, tax sale pending

GATE 2 — EQUITY

- ☐ Equity math run: Approx Value – Mortgage – Liens = Approximate Equity
- ☐ Equity covers payoff, agent co-op, closing costs, AND the \$15-30K RetailMax fee — seller still walks away whole
- ☐ Typical floor: 25%+ equity — flex only on high-ARV / high-fee deals
\$400K home with a \$150K mortgage = PASS. \$260K home with a \$250K payoff = DQ, no room for the fee.
- ☒ Kill: underwater, short-sale territory, HELOC-stacked and over-leveraged

GATE 3 — CONDITION

- ☐ Shows for retail buyers and passes a standard inspection + appraisal — as-is listing-grade or cosmetic-only, material defects flagged
- ☐ Underwriter: photos + street view reviewed, condition grade assigned

GRADE	CONDITION	RETAILMAX FIT
A - Turnkey	Move-in ready, recent rehab	List at top of comp range
B - Light	Cosmetic only: paint, carpet, landscaping	List in comp range, expect multiple offers
C - Medium	Kitchen/bath + systems dated	List mid-range, expect buyer credits
D - Heavy	Major systems + full interior	List below comp range — flag to Closer
F - Full Gut	Structural, uninhabitable	NOT A RETAILMAX DEAL — cash/wholesale exit

- ☒ Red flags that threaten financing: roof end-of-life, dead HVAC, sewer issues, foundation cracks, knob-and-tube electrical, polybutylene plumbing, visible mold, non-permitted additions

GATE 4 — MOTIVATION + TIMELINE

- ☐ Seller's timeline supports the 45-60 business day retail close
- ☐ Willing to work with a listing agent partner — accepts the listing model
- ☒ Kill: needs cash in <30 days, refuses the listing model, wants foreclosure-speed close, already listed exclusively

PQS RESULTS — DOCUMENT IN CRM

OWNERSHIP PASS / FAIL — REASON _____ EQUITY PASS / FAIL — APPROX \$ _____

CONDITION PASS / FAIL — GRADE (A-F) _____ TIMELINE PASS / FAIL — WEEKS/MONTHS _____

OVERALL QUALIFIED / DQ _____ WIRING TAG + MOTIVATION (H/M/L) _____

Borderline is not a pass.

A deal that fails Ownership or Equity is dead — don't waste the Closer's day. Borderline on Condition or Motivation goes to the Closer WITH A FLAG, not a full go. And always document DQ reasons — marketing can't see which lead sources produce junk unless you track it.