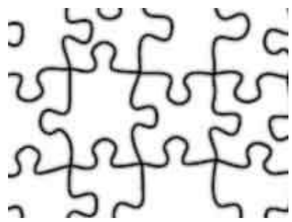
Commercial Funding 101

Some "Bare-Bones" Basics to Help You Put the Pieces Together



For a Quick-Start in Commercial Funding Origination

Secrets to Success in 10 Pages!

Quest Funding Services, LLC

Quick Start, Step-by-Step, to Success as a Commercial Originator

Start Building Your Database of Clients & Prospects

- Immediately set up your database of names & contact information
- Enter what investments each is interested in & whether they are investing now
- Contact each entry with a real physical letter announcing having joined Quest
- Submit your database of most important contacts to Quest. It both registers them as your contacts, and allows us to add them to our newsletter and cards lists
- Ask for referrals, even from people who are not yet ready to use your services…but don't be annoying about selling your services.

Make sure "corporate" has all of your info so that business cards can be ordered. When you receive your cards, carry some with you at all times…they are your best advertising

Learn which Commercial Funding is the Easiest to Accomplish, & which is more difficult

Become familiar with the forms & worksheets

- you will use to qualify borrowers/properties
- which you will submit for funding requests/applications

Learn what documentation is most commonly needed for the various funding options available to your customers

Read & become familiar with Commercial Funding 101 & the math involved in qualifying clients

Learn & practice qualifying borrowers and identifying unfundable "dreamers" so that you can make the most efficient use of your time

Learn the various non-traditional ways you can earn commissions through Quest:

- Selling Business Plan or Private Placement Memorandum prep services
- Converting notes or structured settlements to cash
- Non-real estate loans on stocks, etc
- Loans/leases on equipment
- SBA or other operating capital loans or business lines of credit
- Funding via equity financing & unregistered securities
- Signing on private investors whose funds we can place with borrowers

Move on to Quest Academy & work toward certification as a Commercial Funding Specialist. You can "work backwards" by viewing "Putting it All Together", first

Join Organizations, Investment Clubs, Etc, which can expand the scope of your contacts, and offer to give talks about commercial funding

Read all that you can about commercial investing & funding

As you learn more, you become more of an asset to your customers/clients

Invest in commercial properties yourself…It adds to your credibility

Take pride in being part of an organization that puts exemplary service first!

Don't Get Discouraged. You Can Do It!

Anyone can succeed in their chosen profession, but to be successful often takes patience, persistence, endurance, the willingness to provide the best service you can, and the desire to make dreams come true.

Unfortunately, desire and a good heart aren’t quite enough. It usually takes some new knowledge and new skills and the fear of wandering into new territory could derail your career before it begins. Don’t let that happen!

Almost anything is possible if you try!

READ THIS:

I cdnuolt blveiee taht I cluod aulaclty uesdnatnrd waht I was rdanieg. The phaonmneal pweor of the hmuan mind! Aoccdrnig to a rscheearch taem at Cmabrigde Uinervtisy, it deosn't mttaer in waht oredr the ltteers in a wrod are. The olny iprmoatnt tihng is taht the frist and lsat ltteer be in the rghit pclae. The rset can be a taotl mses and you can sitll raed it wouthit a porbelm. Tihs is bcuseae the huamn mnid deos not raed ervey lteter by istlef, but the wrod as a wlohe. Such a cdonition is arppoiately cllaed Typoglycemia :)- Amzanig huh? Yaeh…and yuo awlyas tuhohgt taht slpeling was ipmorantt!

SEE? YOU <u>CAN</u> DO IT!

Build your Commercial Pipeline:
Find Your Client

Banks – The best source

- Banks want to help customers, but for various reasons, they can't: which risks the loss of customers & deposits of customers who tend to keep their money were they can also borrow
- Thus, banks can help (& retain) customers by referring them to you for successful funding. Their customers will love them just as much if you get them a loan as if the banker did.
- Offer to take the banker to lunch. They love this. But…don't offer to pay them commissions or referral fees. Most consider this to be an illegal kick-back. However, they would often not mind a personal gift (a putter for a golfer, etc) Want to really "get them"? Hire a limo for 2-3 hours, and arrange to take 3 different bankers to lunch, one after the other. It costs less than you might think in mid-day, mid-week.

Develop relationships with Commercial Real Estate Brokers & Property Managers

- Pre-arrange financing for existing property listings
- Proactive meetings and representation at local professional functions
- Mortgage people, resented by residential brokers, are welcomed by commercial
- *** Try to arrange it, with a previous phone call, so that they expect your mail. Otherwise, it might go into the trash, unopened. A referral introduction from one of their existing clients is a godsend.

Lawyers, Financial Advisors (CPAs, Estate Planners) – especially if you know them

- Demonstrate your ability, leave a sample Loan Package
- Convince them that your help for their clients is a "feather in their cap"
- Source: Yellow Pages, professional directories, online searches, etc.
- *** See above. Don't waste postage if your mail won't be read by someone swamped by mail

Organizations, Investment Clubs, Etc

Tremendous source of leads because you are less of a stranger

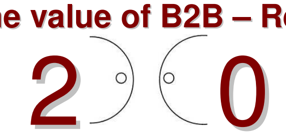
Direct Sources, Commercial Property Owners

A difficult source, except by direct referrals, which are like gold

Potential difficult issues – use caution:

- Deals that have been shopped & disapproved, already, for legitimate reasons or are presently being shopped by the borrower, or another originator, "to hell & back"
- Properties & mortgage types that are simply not of interest to lenders (speculative, no-doc, etc)
- Co-brokered deals – be aware of control issues; who can present and negotiate? Quest insists, in most cases, in dealing directly with the principals

Remember to Capitalize on the value of B2B – Remember B2B & this picture:



That doesn't refer to business to business. It means *Belly to Belly*. Try to get yourself in front…right in front…of 20 people a day, belly to belly, and introduce them to the services you can offer. You shouldn't be a "pest", but the further you get from direct contact…phone, Internet, email or "snail" mail…the less effective is the contact, and the more likely you are to be displaced by the next person that offers a similar service face to face.

Pre-Quals: Making the Best Use of Your Time & that of Your Prospects:

Olen Soifer, 11-15-2010

You will make the best use of your time, and be the least likely to mislead your prospect, if you get out of the habit of quoting rates or the chances for approval, "off the top of your head", based on almost no information.or don't get into that habit in the first place. When someone calls up and asks something like, "What is the interest rate today?"...you have exactly enough ammunition to shoot yourself in the foot, or the head, but nothing more!

The correct answer to that question is that, "Quest is a full-function funding source. Our rates are very competitive, and can be as low as about 3.5%. For other borrowers, propertie, funding needs or purposes, they can be as much as 30%. I want to be able to give you an accurate answer and not mislead you in regard to what may be available for you and your situation. I, in order to do that, I need more information." Then, you would say, "Now, not to be personal…but to do a better job for you and give you accurate information...May I ask...." And start firing off the questions that are on the attached qualifying question sheet.

Any originator needs to fill in the two forms, attached, for every rate/pricing or pre-qualifying request. These are the same two forms that should accompany <u>every</u> submitted application file. You cannot professionally quote rates or the chances of approval without knowing the information to fill in those pages, and corporate can't, either. If you try to do so, you will be as unprofessional as the other commercial originators who do not care if they are competent.

We do not expect you to guess about a prospect's approvability, or the rates/pricing available to them. If you do not feel confident answering quoting rates or the chances of an approval for them, THAT is the time to tell them that their business is important, and you would feel better running it by your corporate underwriter. An "I don't know, but I will find out" is more professional than guessing about rates or possible approval which, later, fail to hold up.

But, again, neither you nor corporate can truly give a reasonable pre-qual, or price a funding request, without knowing the answers to these, or other questions:

Who is the buyer, if a purchase?
Do they have money for a down payment, rehab, loan costs?
How is their credit, assets, etc?
Or, if it is a refinance, is it a cash-out refi? If so, what is the purpose of the cash-out?
What are the terms that are being requested...LTV, etc?
What is the DSCR at that Loan-to-Value?
What is the buyer's (if a purchase) experience as an investor, rehabber, landlord, etc?
What is the exit strategy? If they intend to retain and manage the property…What is their experience as a property manager (or is there onsite/offsite management)?
What is the age/condition of the property?
How inclusive and reliable is the income statement (reserves, repairs, mgt, etc)?
What is the gross income and NOI? Does it make money, or can it do so with better mgt?
What is the value and need for this type of property in the area?
What is the vacancy % of the property, and the region?
What is the present value and/or ARV of the property.
What is the market "cap rate"?

It would probably be wise to request an executive summary from the prospect. On the other hand, you don't want to gather up an entire package of documents, implying that "the borrower is good", and then tell them that they are denied! (See the other doc, attached, which give an idea of the appropriate docs needed for a pre-approval, as opposed to a pre-qual.)

We hope you don't waste your time, or that of your prospect, by working smarter, not harder!

PREPARING FOR PRE-QUALIFYING OF A PROSPECT:

Olen Soifer, Quest Funding Services, 11-11-2010

BEFORE building a loan file, your first pre-qualifying step should be to ask the right questions to determine if ANYONE would fund the loan. Some loans are nearly impossible in today's economic climate: Purely speculative construction/development; high LTV loans for completely inexperienced persons with no money, no credit, no income; buy and hold land loans (unless for personal use) without the ability to escrow large interest reserves and accept a very low LTV; funding which violates the law because it involves, by its very nature, fraud or deception. Possible and difficult transactions are listed in the Quick-Start guide and in Quest Academy.

The following documents can be used to prequalify, if not pre-approve, a borrower, property & project, to prevent you from preparing a full application, for the prospect, before even knowing whether there is a chance to provide funding for them.

Assuming you are dealing with either income property, or property to be bought (possibly rehabbed) and sold for a profit, here is what is needed for a dependable prequalification:

1. If nothing else, <u>get a Business Plan or an Executive Summary</u> (or prepare one based on an interview of the borrowers). It should give a feeling for the borrowers, & their experience, the property, and the borrower's intentions for the mortgage, the money they are requesting and the money they have to invest, their exit strategy, etc). An executive summary should BE a summary...AT MOST, 2 pages long.! It is NOT a selling document filled with "puffery", and an exit strategy should consist of more than, "List the property and pray that it sells."

<u>2. Fill in the Qualifying Questions</u>...noting that there are two sections to choose from, one for owner occupants, one for non-owner occupancy; & <u>Fill in the Transmittal/Pre-Qual sheet</u>;

3. Request a <u>PFS-Personal Financial Statement</u> from the borrower(s) --- ALL borrowers, including (if a refi) all individuals with 10%+ ownership interest (Blank form available at Quest online);

4. If an entity is the borrower, <u>get a Balance Sheet for the business</u>; If need be, you can request a balance sheet worksheet from us;

5. <u>Request Last Year's P&L and this year's, YTD</u>;

6. <u>Ask for a half-dozen pics of the property (NOT a hundred!)</u>...1 Front, 1 Rear, 2 looking each way down the front street, and a couple of representative interior pics.

7. <u>If a rehab is involved, have the borrower fill in detailed cost itemization sheet</u> (available online) of the rehab items.

8. <u>Ask if the borrowers have a fairly recent credit report</u>, ideally, with scores.

9. <u>If a recent appraisal is available, take it. But, as with a BPO, it will only be advisory</u>. There is no guarantee that a new appraisal will not be required. *NEVER allow a borrower to order an appraisal, with the expectation that the lender will accept it. That is both useless and illegal under FIRREA*. If a BPO is available, you can take it. But, again, its worth may be questionable.

10. If this is a purchase through a real estate agent, try to <u>get a copy of the Listing Detail Sheet</u>; and <u>get a copy of any accepted offer or contract</u>.

With the above, you, or you and your Quest mentor, will usually be able pre-qualify (or disqualify) the transaction. That is done by using the appropriate worksheet, as well as simple manual analysis of the funding being requested vs that which is available. If problems are found, suggestions may be possible for restructuring that could more easily facilitate an approval.

Follow these suggestions and make the best use of your time. But, even in a worst case situation, when an approval is impossible, that does not mean we "throw the applicant away". It costs money to get the phone to ring, and we can often work with a borrower to get them to be approvable in the future, even if they do not qualify today. Also, your attentiveness to them could encourage them to give you referrals. That, in and of itself, makes it worth spending some time in an attempt to turn a "suspect" to a "prospect", and a satisfied applicant and borrower.

PREAPPLICATION QUALIFYING/PRICING QUESTIONS:

Affiliates & Originators: Don't waste your time, or mislead a customer, by submitting their application for funding for which they cannot qualify or afford. Ask & answer these questions & submit this sheet together with the initial funding inquiry, so that Quest Funding Services can prequalify customer for the most appropriate funding option.

Ref	QUESTIONS FOR OWNER OCCUPANTS/MANAGERS	ANSWERS
1	If Purchase-Purchase Price	
2	If Purchase-Targeted Closing Date	
3	If Refinance-Purchase Price when bought by borrower	
4	If Refinance-Purchase date for this borrower	
5	If Refinance-Approximate Current Value	
6	If Refinance-Total Amount of All Current Liens on Subject Property	
7	Property Type-Office, Warehouse, Strip Center, Industrial, SFR Conversion,	
	Mixed Use, School, Day Care, Auto Service, Funeral Home, Retail Store, Salon,	
	Spa, Laundromat, Dry-Cleaner, Metal Building, Golf Club, Bowling Alley,	
	Restaurant, Other	
8	Property Location (City and State)	
9	Loan Amount Request (75%-90% LTV for purchase or 55%-65% for REFI)	
10	Nature of Business Using The Property (Owner of property Controls Business)	
11	Gross Company Revenue (Owner Occupied Tenant) as Reported on Recent Tax Return	
12	Net Company Profit (Owner Occupied Tenant) as Reported on Recent Tax Return	
13	Experian (only) FICO of all Guarantors (650 MIN/720 for Construction)	
Ref	**QUESTIONS FOR NON-OWNER OCCUPANTS/MANAGERS**	**ANSWERS**
1	If Purchase-Purchase Price	
2	If Purchase-Targeted Closing Date	
3	If Refinance-Purchase Price when bought by borrower	
4	If Refinance-Purchase Date for this borrower	
5	If Refinance-Approximate current value	
6	If Refinance-Total Amount of all Current liens on subject property	
7	Property Type-Office, Warehouse, Strip Center, Industrial, SFR Conversion,	
	Mixed Use, School, Day Care, Auto Service, Funeral Home, Retail Store, Salon,	
	Spa, Laundromat, Dry-Cleaner, Metal Building, Golf Club, Bowling Alley,	
	Restaurant, Other	
8	Property Location (City and State) **(NOO not available in all states)**	
9	Loan Amount Requested (65% for multiuse or 55% to 60% for special use)	
10	Nature of Business of Primary Tenant--if one tenant occupies over 45% of space	
11	Gross Annual Rents as collected in current tax return and verified on tax return	
12	Owner Paid Operating Expenses for most recent tax year (do not include depreciation/interest)	
13	Experian (only) FICO of all Guarantors (650 MIN/720 Construction)	
Ref	**QUESTIONS FOR CONSTRUCTION OR REHAB LOANS**	**ANSWERS**
1	Original cost of land or property with purchased by borrower	
2	Actual costs of capital improvements made (and paid) since purchase	
3	Estimated costs of pending improvements (and unpaid improvements)	
	Fill in & Email, with Initial Inquiry Form to: inbox@questfunding services.us	

Broker Contact Information: ____

Affiliate/Originator: ____________________________ **Contact Info:** ______________________________

Applicant Name: ____________________________ **Property:** ____________________________________

Mortgage Basics - Ratios:

Instructor: Olen Soifer

There are the two main ***Ratios*** we deal with in the residential loan origination process, & at least one, or more, additional ratio in commercial financing. These ratios, and the manipulation of them, are a large part of the business. As a processor, you will soon come to realize that most of the processing and calculating requirements are defined by those ratios.

From the loans required ratios, we get an idea of what we need to know about a borrower to qualify them for a loan; the questions we must ask them; and the documentation we need from them to support the answers. The ratios will ultimately decide, for us, what programs, rates and fees a borrower will qualify for so that the lender can successfully underwrite and close the mortgage for the customer:

1. **General points to remember about ratios**:
   a. Ratios are simply a means of comparing one number to another by stating the first number as a fraction of the second number.
   b. When we refer to a ratio as Number A ***to*** Number B, the word "to" means "divided by"
   c. To convert a "dot" (decimal) fraction to a percentage:
      i. Multiply by 100…accomplished by moving the decimal 2 places to the right.
      ii. Insert a zero as a place-holder if necessary
      iii. In contrast, remember that we don't use percentages directly in math…first we convert the to "dot", or decimal fractions by moving the decimal LEFT two places, adding zero placeholders as necessary. (ie: to multiply a number by 50%, first change it to 0.5, and then do the math.)
2. **Loan to Value**: **LTV** is the loan size divided by Value; expressed as a percent
   a. The smaller the loan is, compared to value, the easier is loan approval OR the lower the rate will be
   b. Loans over 80% of value require mortgage insurance (MI) OR a higher rate if the MI is lender paid
   c. Re: Mortgage Insurance:
      i. MI protects the lender from a loan going bad. It is not the same as homeowner's insurance.
      ii. MI is not tax deductible…thus, the popularity of second mortgages. Even though the second mortgage interest rate is often more than the first mtg rate, the interest paid IS tax deductible
3. **Debt to Income**: **DTI** is the borrower's monthly debt divided by income; as a percent
   a. The lower the borrower's debt is, when compared to income, the easier is loan approval OR the lower the rate will be
   b. Income is monthly GROSS
      i. Use yearly income divided by 12, NOT weekly income multiplied by 4
      ii. Any regular deductions shown on paychecks (levies, child support, etc.) should be deducted
      iii. Salaried borrowers…use present income regardless of length of employment
      iv. Hourly employees…average out 2 years of gross earnings
      v. Self-employed…average out 2 years of AGI (adj. gross income) which is on the bottom of page 1 of the 1040 tax return
   c. Debt to Income has two parts:
      i. Top Ratio is the mortgage related debt, PITI (Principal & Interest, real estate Taxes, homeowner's/hazard Insurance) divided by monthly gross income
      ii. Bottom Ratio is the mortgage PITI AND consumer debt that appears on the credit report (cr. cards, personal loans, car payments, school loans, etc.) divided by monthly gross income
4. **Debt Service Coverage Ratio**: **DSCR** is the gross rental income on a commercial (income) property divided by the net operating income (NOI), expressed as a decimal fraction.
      i. The NOI is the income from a business or income property, less the expenses, except for income taxes and the mortgage payment itself
      ii. Added back to income is any depreciation & monies put away for future (deferred) maintenance
      iii. A percentage of the gross rent is always deducted as a vacancy factor. On multifamily properties, the vacancy factor is 5%. On retail/office/industrial properties, the vacancy factor is often the actual market vacancy in the area, which could be 15-20% or more.
      iv. Other expenses usually included (even if not actually spent on a particular property) are: taxes, utilities, maintenance, insurance, an external management fee, common area expenses, etc, which reduce the DSCR.
      v. DSCR needs to be as high as 1.50 to 2.00 for the best rates, but (with higher rates) can be as low as 1.00 or even less.
5. **Net Worth to Loan Amount:** While a residential lender may want to see that the borrower has 2-6 months of P&I payments in savings, a commercial lender may require that the borrower has assets, partly liquid, equal to the loan amount or even 1.5 to 2 times the loan amount. Less assets could mean rejection or a higher rate.

Mortgage Numbers & Ratios:

1. Credit Scores: Two borrowers are jointly applying for a commercial loan. They have these credit scores: Borrower A - 642, 693, 665; Borrower B - 702, 685. Which score(s) is relevant to the lender? For each Borrower: A - 665; B - 685; For both borrowers: 665. The middle score, or lower of two scores, is used for 1 borrower, and the lowest of those relevant scores is used for multiple borrowers.
2. Commercial Ratios:

Sample Information:

$1,000,000 Sales Price
$650,000 Loan Request
$8,000 Gross Monthly Rent
$3,000 Monthly Expenses

Anticipated lender will loan up to 70% Loan-to-Value (LTV) for a 10 year loan @7%, amortized over 25 years. The property is new & in a desirable neighborhood, so the lender will accept a Capitalization ("Cap") rate of as low as 6%. The Debt Service Coverage Ratio ("DSCR") must be at least 1.25.

<u>Is this loan "do-able"?</u>

A. Net Operating Income = Gross Rent - Expenses = $5,000/mon or $60,000/year

B. LTV = $650,000/$1,000,000 = 65%

C. "Cap" Rate = Annual NOI/Total Investment = $60,000/$1,000,000 = 6%

D. Mortgage Payment Requested, @7%, 25 yr, $650,000 = $4,594.06 = $55,128.72/yr

E. DSCR = NOI/Annual Debt Service (mtg paymt) = $60,000/$55,129 = 1.09

Is this loan fundable? The "Cap" Rate is fine, as is the LTV. But, no, "it won't fly" because the DSCR is below the lender's guidelines.

F. To determine the maximum loan amount, we would work backwards from the NOI:

Divide monthly NOI by lender minimum DSCR to get the maximum mortgage payment: $5,000/1.25 = $4,000 max mtg payment. Convert to maximum mortgage amount by using the lender's amortization period & rate: $566,000 ($4,000.37 P&I paymt).

Thus, the borrower would need to put down $84,000 more than originally planned OR he would have to convince the lender that the NOI is unusually low (from, for example, bad management) and can be increased to 1.25 times the originally desired mortgage payment: $4,594.06 x 1.25DSCR = $5,742.58

Multi Family

Total actual income from rentals	
Total actual income "other" items, laundry, pet fees, parking, etc.	
Total market rent on vacant units	
Total additional "other" income with no vacancies	
Total potential income, rent & other items, with no vacancies. (Sum of above)	
Number of units	
Deduct 5% or actual vacancy, depending upon U/W guidelines	
EGI or Effective Gross Income	
Deduct 5% of from EGI for outside management fees	
Deduct all expenses. Property taxes, insurance, maintenance, labor, legal/accounting etc.	
Deduct 2-3% for reserves &/or deferred maintenance	
Result is NOI or net operating income	
Enter the DSCR required Debt Service Coverage Ratio.	
Divide the NOI by the DSCR for the maximum amount available to pay the mortgage.	
Work backwards from the monthly max mortgage payment to get max mtg amount	
Divide mortgage amount by max LTV to get sales price with minimum equity amount	
Divide mortgage amount by list price to find effective LTV (treating price as value)	
Divide NOI by appropriate cap rate to get a profit-based value	
Divide max mortgage payment by profit-based value to get LTV	

Commercial

Total potential income for all commercial space, including common area reimbursements, percentage rents, property tax reimbursement etc.	
Total gross interior square feet	
Deduct 5% or actual vacancy or actual vacancy	
EGI or Effective Gross Income	
Deduct 5% or market cost from EGI for management fees	
Deduct total of all expenses. Property taxes, insurance, maintenance, labor, legal/accounting etc.	
Deduct \$0.20 per square foot for reserves	
Deduct \$0.90 per square foot for Tenant Improvements and Leasing costs	
Result is NOI or net operating income	
Enter the DSCR required Debt Service Coverage Ratio.	
Divide the NOI by the DSCR for the maximum amount available to pay the mortgage.	

Note factors and ratios vary with area, time, property type & condition. Get appropriate figures for your use.

Last revised by Olen Soifer, 7-27-2010

QUEST FUNDING
Services, LLC

Commercial Funding Submission & Checklist

Submission Date: ___ - ___ - _____ **www.questfundingservices.us**

Submit Completed Form to: inbox@questfundingservices.us

#	Have	Req.	Date Recvd	Documentation Item Description: Limited Doc Requested ☐
1.	☐	☐		Color photos of subject property: Front, rear, L & R street scene, repr. inside (6-8 pics).
2.	☐	☐		Rent Roll: Names, rent, Mkt. Rent, exp. dates, deposits, unit description (BR, Sq Ft), etc.
3.	☐	☐		Last 2-3 years income & expense statements, along with a year-to-date profit & loss.
4.	☐	☐		Last 2-3 years personal & business tax returns. If self-employed, need year-to-date P & L.
5.	☐	☐		Personal & business financial statements showing assets and liabilities.
6.	☐	☐		If Available: Existing Appraisal & BPO/Comps; Credit reports;
7.	☐	☐		For Rehab/Construction Funding: Complete cost breakdown including monies invested.
8.	☐	☐		Purchase: Copy of purchase agr. , escrow instructions, evidence of earnest money deposit.
9.	☐	☐		Exec. Summary, or bus plan, w/ management team & experience, exit strategy, use of funds
10.	☐	☐		Copies of any & all corporation by-laws, partnerships, operating or trust agreements.
11.	☐	☐		

Source: __________________________ (*Affiliate/Broker*) Telephone: ______________ Fax: _________________
(Contact)

Borrower: ___________________________ Contact Info: ____

Subject Property Address: __________________________City: _______________State: _____ Zip Code: ________

TRANSACTION DATA: *(Minimum loan amounts vary with each loan program, doc type, borrower assets & credit, etc.)*

Expected Funding: __ Full Doc, Conv. Comm'l __ HUD __ SBA __ Alternative __ Hard Money ☐ ***Initial Inquiry Only***

__ Purchase __ Refinance __ Construction __ Bridge Loan __ Mezzanine/2nd __ Other ____________

Sales Price or Total Cost $ ________________ Date Acquired ____/___/______
Cash Down or Monies Invested $ ________________ Original Cost $ ______________
Source of Down Payment ______________________ Estimated Value (As Is) $
Rehab/Construction Cost $ ________________ Estimated Value (Finished) $ ________________
Amount of Payoffs 1st $ ________________ 2nd $ ________________ Other, explain $ ________________
Anticipated Settlement Date ____/___/______ Misc Comment: ____
Requested Loan Amount: $ _____________
Requested Loan Term: ______Years Requested Amortization Term: ______Years

Loan purpose overview: ____

DESCRIPTION OF PROPERTY:

__ Apartment __ Office __ Retail __ Hotel __ Industrial __ Self Storage ___ Other: __________________

Total Sq. Ft. _______ Net Rentable Sq. Ft. _________ Vacant Sq. Ft. _____________%
Year Built _______ # of Stories: _____________ # of Total Units __________
Elevator Served ___________ # of Unit's Vacant ____________ # of Parking Spaces _____________
Enclosed Parking? _________ Common Area Size, Descr: ____

Occupation & Exit Strategy: ___ Owner-Occupied ___ N/O/O ☐ Hold/Rent ☐ Sell

Utilities: Master __ Gas __ Electricity __ Water __ Sewer __ Cable/DSL
Individual __ Gas __ Electricity __ Water __ Sewer __ Cable/DSL

Multi-Family Details:

____________ 1 BDRM _____________ Baths _____________ Type Sq. Ft.
____________ 2 BDRM _____________ Baths _____________ Type Sq. Ft.
____________ 3 BDRM _____________ Baths _____________ Type Sq. Ft.

Business ___ &/or Income Property ___ Details:
Gross Annual Income 20___ $ __________ 20___ $ ____________ 20___ ytd. Thru _______ $ __________
Net Operating Income 20___ $ __________ 20___ $ ____________ 20___ ytd. Thru _______ $ __________