

Loan Package for 100% Financing

“Providing Every Dollar Needed for Project Financing”

Initial Documentation Requirements:

- 1) Executive Summary.
- 2) Include resumes of the principals; include projects they have completed in the past
- 3) Who is on the development team? Who is the architect? The general contractor? The engineering firm? Do they need a general contractor?
- 4) Purchase contract; if not available, state why not, and when
- 5) Color photos, if available
- 6) Current assets of the company
- 7) Credit package / financials on the principals – recent credit report, personal financial statement(s), real estate owned schedule, tax returns
- 8) Financials on the project: Initial land take down, development, and construction by month, along with expected revenues by month and projected ending cash / loan balance positions
- 9) What are the deadlines for the land take down?
- 10) Provide a schedule / breakdown of development and construction cost.
- 11) Very important: Who will do the Sales & Marketing? What have they done in the past?
- 12) What is the exit strategy? If the property is income-producing then 5 year proforma income statements and balance sheets will need to be provided.
- 13) Is there anything out of the ordinary about this deal we need to know? What have been the lending challenges In the past?

Types of Loans & Joint Ventures

- 1) The minimum loan amount \$10MM. This investor really prefers to do the big deals, \$100MM and up.
- 2) Will do 100% financing (debt or debt/equity) on hotels, casinos, condos / condo conversions, business acquisitions, special projects.
- 3) Fees on loans & JVs. On loans up to \$50MM, he will ALWAYS charge 5 points. On loans over \$50MM he will ALWAYS charge 3 points. THESE FEES CAN BE PLACED IN THE LOAN.
- 4) If applicable, Joint Venture profit sharing will be either 60/40 or 50/50 depending on the deal and the size of the project.
- 5) Investor will loan for 2 years on condos and condo conversions. On hotels and other large projects he will amortize for 25 years, and note will come due in 7 years. Interest Rates: Usually around prime + .75
- 6) Underwriting time: Full packages are reviewed in ten days and a lending decision is usually made within two weeks. At that time, a Letter of Intent is sent to the borrower. However a face-to-face meeting will always take place.
- 7) 7. Funding will occur 60-120 days following initial underwriting. (Consider that most of these loan requests are from \$75MM - \$1B).
- 8) Preferred areas to lend in are: Florida, Las Vegas, California, New York City