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Pacific Financial Group
Real Estate Loans, Investments, Insurance

Finance Newsletter
June 30, 2016

LOAN SPOTLIGHT



Summary: Guarantors sought to refinance a neighborhood shopping center in Riverside County with a rapidly approaching maturity date and a lender unwilling to consider an extension. The challenge in refinancing the center was that its occupancy was 80%, there was insufficient cash flow to support the new loan request and the anchor tenant had not yet negotiated the renewal of their lease (which was expiring in less than 6 months). We found a lender willing to consider a creative structure, which involved the cross collateralization of other real estate held by the guarantors, but ultimately the deal failed because the lender could not get comfortable with the potentially large vacancy left by the anchor tenant. Ultimately, when all else failed, we re-approached the existing lender about a loan modification and were successful in getting the lender to agree to a 12 month loan extension for nominal fees and costs. In comparison, to the higher cost of an outright refinance with a new lender, which would have cost the Guarantors over \$100K in out of pocket costs and a higher interest rate, the loan modification was a blessing in disguise because it gave the owners the time they need to adequately market and list the property for sale. A far better result than defaulting on their loan and having the lender start foreclosure proceedings. We were able to successfully negotiate a 12 month loan modification/extension, with the same interest rate and no prepayment at a fraction of the cost of making a new loan. The trade off was that the guarantors agreed to pay down the existing loan, but the result would have been the same had they refinanced with a different lender.

Loan Amount: \$5,000,000
Property Type: Neighborhood Shopping Center
Location: Riverside County, CA
Purpose: Refinance
Loan Program: Principal & Interest
Rate: 5.875%
Term/Amortization: 12 Months
LTV: 75%
Prepay: None

If you or someone you know might need our services, please forward this email to them or contact us for a loan quote specific to a property at (415) 680-0121.

Ask us about our low cost apartment loans and our generous referral fees for 5+ multifamily and commercial real estate loans!



ABOUT OUR SERVICES

Pacific Financial Group is a full-service brokerage firm dedicated to providing clients with real estate loans, investment advice, financial planning and insurance services. Our success is the result of our client-focused commitment, professional integrity, industry and market knowledge and unique private banking approach to understanding the financial needs of our clients and delivering specifically tailored solutions. **[Visit our website to obtain additional information about the types of investment advice and insurance services we offer.](#)**

APARTMENT LOAN PROGRAMS

[Hot Money: We now offer low cost apartment loans from \\$1MM & up in California. No origination fees, no lender fees and closing costs are capped at \\$2K or less!](#)

We are pleased to provide access to a large selection of 5+ unit multi-family loan programs from which to choose so you are assured of finding one that is best suited to meet your particular investment objectives. Drawing from our diverse pool of capital sources, your loan program options are limitless. **[Visit our website to obtain additional information about available apartment loan programs and interest rates.](#)**

COMMERCIAL LOAN PROGRAMS

We understand the importance of finding the best available financing to maximize your return on investment and have access to a large selection of commercial loan programs for office, retail, single tenant, self storage, industrial, hospitality, mixed use and owner-occupied commercial buildings, so you are assured of finding one that is best suited to meet your particular investment objectives. Commercial loans are available from a diverse pool of capital sources which include local and regional banks, credit unions, life insurance companies, conduits, pension funds and private investors. **[Visit our website to obtain additional information about available commercial loan programs and interest rates.](#)**

RESIDENTIAL LOAN PROGRAMS

We have access to over 30 lenders that offer a variety of loan program options for owner-occupied residences, 2nd homes or 1-4 investment properties. Why limit yourself and deal with one lender when you can have access to a diverse pool of lenders with much more loan program options from which to choose? Below are some of the loan program features currently offered:

- Loans to single member LLC's and revocable trusts
- Stated income and interest only loans
- Debt ratios up to 50%
- Loan amounts up to \$3,000,000
- 100% gift toward a purchase down payment
- No monthly M.I. options available
- No income verification for investor properties / unlimited # of properties financed
- Low down payment loan programs for first-time home buyers (conventional & jumbo)
- Delayed purchase financing
- Unlimited cash out

Call us today to discuss your specific loan needs.

Samuel A. Shummon, J.D.

Principal & Managing Broker

One Embarcadero Center, Ste 500 | San Francisco, CA 94111

415.680.0121 (O) | 415.302.1795 (M) | 888.988.9434 (F)

BRE #01295091 - NMLS #328979 - CA Insurance # 0149823

sshummon@pacfigroup.com

STAY CONNECTED

