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Pacific Financial Group
Real Estate Loans, Investments, Insurance

Finance Newsletter
February 2018

LOAN SPOTLIGHT



Summary: Pacific Financial Group is pleased to have arranged a 2nd private note for an owner occupied single family home in Orange County. The borrower was seeking a cash out refinance to upgrade a portion of the interior of the home for use as office space for a home based business. The challenge was finding a lender willing to provide a 2nd loan behind a large first mortgage @ \$850K. Borrower had excellent loan terms on the first mortgage and was not interested in a new first mortgage. Most private equity lenders passed on the loan request, citing the size of the first mortgage as the reason. However, we were able to locate a lender willing to make a stand alone 2nd mortgage (interest-only) with cash out proceeds up to 65% CLTV. In comparison to traditional home loans, the paperwork was very light and involved minimal loan documentation. All that was required was the loan application (stated income), credit report, cash out purpose letter, preliminary title report and appraisal. The entire process went very quickly and took less than 4 weeks to complete. The borrowers credit profile was somewhat mixed: fair credit (mid 600 scores), adequate combined income, a bankruptcy within the past 10 years and limited reserves. Nonetheless, such weaknesses tend to be mitigated in asset based lending when there is sufficient collateral cushion and a clear exit strategy.

New Loan: \$121,000

Property Type: Single Family Residence

Location: Orange County

Purpose: Cash-Out Refinance

Loan Program: Private (2nd Loan)

Term/Amortization: 3 year balloon (interest-only)

CLTV: 65% or less

Prepay: 6 months

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 offer low cost apartment loans from \$500K & up in California. No origination fees, no lender fees and capped closing costs!

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

Hot Money: Ask use about CRE loans for properties occupied by marijuana dispensaries or cultivators from \$1MM & up in California. Fixed rate loans with interest rates starting in the mid 6's with 25-30 year amortizations.

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

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STAY CONNECTED

