



www.pacfigroup.com

**Pacific Financial Group**  
Real Estate Loans, Investments, Insurance

*Finance Newsletter*  
November 2018

## LOAN SPOTLIGHT

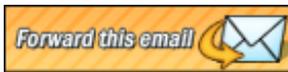


**Summary:** Borrower sought acquisition financing for an industrial building as part of a 1031 exchange with the intent to lease the space to medical cannabis tenants. Even though the State of California recently passed laws legalizing recreational cannabis use for adults 21 & over, the federal government still considers all marijuana use to be illegal under federal law and banks (who are regulated by federal law) have been unwilling to make real estate secured loans if the properties are used to dispense, cultivate or manufacture cannabis. This also extends to tenants peripherally related to the cannabis industry, such as packaging, testing, infusion and edibles. The current political climate in Washington DC and mixed messaging from the Trump Administration and the DOJ has impacted non-bank lenders as well. As a result, private lenders have left the market and the ones who have remained have lowered LTV's and raised interest rates. Several large title companies have also pulled out of the market and stopped offering title insurance. So, yes, finding a private lender with reasonable rates and terms and a title company willing to insure the property has become very challenging. Of the remaining private lenders, finding one with experience in making such loans is especially daunting. There are a lot of lenders out there touting themselves as 'cannabis lenders' that don't know the first thing about making such loans and are collecting non-refundable fees, sending borrowers on a paper chase and then walking away. It's really become a minefield out there and borrowers are getting burned. Fortunately, we were able to find an experienced lender who understands the process, offers reasonable rates/terms and works with a title company that is able to fund loans quickly. A letter of interest was issued and funds earmarked within 72 hours of our initial submission. An appraisal was completed within 2 weeks and loan docs were issued one week after receipt of all 3rd party reports. I cannot stress how important it is to find a lender you can trust in this lending environment. After having vetted over a dozen lenders and reviewing their underwriting criteria, not to mention having endured a couple of false starts with the wrong lenders, we found a good lender with whom we enjoy an ongoing relationship.

**Loan Amount:** \$1,400,000  
**Property Type:** Industrial Building  
**Location:** Contra Costa County, CA  
**Purpose:** Purchase (1031 exchange)  
**Loan Program:** Interest Only (Private Lender)  
**Rate:** 10.75%  
**Term/Amortization:** 3 Year Term (Balloon)  
**LTV:** 50%  
**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](mailto:sshummon@pacfigroup.com)

*STAY CONNECTED*

