



LOAN SPOTLIGHT



Summary: Subject property is a 19-unit apartment building that was purchased in May 2016 and partially financed by a seller carry back to allow the borrower time to raise rents and obtain a conventional bank loan. At the time of acquisition, rents were significantly under market and a couple of the units were vacant. In addition, rents had not been increased within allowable rent control limits for some time, thereby providing the new ownership with an immediate opportunity to increase rental income. Borrower discussed the new loan with several local banks with whom they enjoyed long term banking relationships, but they were unwilling to make a new loan that exceeded a 55-60% LTV. The challenge for them was that the subject's historical cash flow was too low and, even if rents were to be raised in the short term, the increased rental income would have little impact on how the loan was underwritten. We were able to locate a lender that was willing to offer a new loan of 65% LTV after rents in rent controlled units were increased across the board and the vacant units were leased to market rent. In underwriting the new loan, our lender used a 2-month trailing rental income average - in comparison to a more traditional 6 to 12 month trailing income average - and a lower qualifying rate. Our lender's approach to underwriting was a significant departure from the norm and certainly helped the borrower achieve the target loan amount. The final rate and terms were very competitive and better than what other banks were offering. All in all, it was a win-win situation for the borrower: they received max loan dollars and better rates and terms. Who says you can't have your cake and eat it too?

Loan Amount: \$1,475,000

Property Type: 19-Unit Multifamily

Location: Contra Costa County, CA

Purpose: Refinance

Rate: 3.60%

Loan Program: 5 Year Fixed

Index: 6 Mo Libor + 2.25%

Term/Amortization: 10 years / 30 years

LTV: 65%

Prepay: 3,2,1,1,1%

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. [Click here to sign up for our newsletter.](#)

[Ask us about our CRE loan programs for cannabis tenants! We also offer generous referral fee program 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

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. [We also finance commercial properties with cannabis tenants and offer both conventional bank loans and private funds.](#) 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
- 3% down payment (conventional) & 10% down payment (jumbo) loan programs
- 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

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