

Real Estate Lenders Needed

Summary on Typical Deal Parameters



Good Price Homes

Gene Robinson, Acquisitions Manager at Good Price Homes, LLC, works with independent real estate investors in the Savannah, Georgia area. Services include help with generating leads, structuring offers, presenting offers to sellers, negotiating, managing properties and private deal funding, funding deals without banks.

Acquisitions

Good Price Homes, LLC typically targets free and clear residential property with 1 to 4 units, but also 5+ units.

Deal Structuring

Deals are carefully analyzed taking into account the property's after repaired value, repairs or remodeling needed (if any), buying costs, holding costs, existing tenant agreements, market rent, taxes, insurance, utilities, periodic vacancies and maintenance, costs of funding deals, appreciation potential, future resell price, net positive cash flow and a target profit of \$50,000 or more per deal.

Funding

Each deal is funded by the equity in the property. The cash needed on a deal for buying costs, holding costs and cash down to the seller is raised from a private lender or hard money purchase money first mortgage.

The seller takes back a second mortgage for the balance of the purchase price. The note interest rate offered to the seller is typically the Applicable Federal Rate published each month by the IRS for below market rate loans, currently 2.38% for notes longer than 9 years or .89% for notes due in less than 9 years. The low interest cost benefit to the investor is calculated over the term of the seller carryback note which usually gets the seller a premium price (above current market value) and allows them to sell quickly "as is" while avoiding typical transaction costs such as commissions, repairs, holding costs and buyer negotiated discounts.

Offers with seller financing are contrasted with an all cash offer typically around 60% of market value. Occasionally they do accept these cash offers.

New Funding Sources Needed

Good Price Homes, LLC has an immediate need to fund currently accepted offers as well as future deals.

Note terms are flexible. We seek to learn what conditions and yield requirements a new lender has already established as part of their program, and what changes the lender might consider based on funding these types of deals.

The Borrower is the real estate investor who will purchase and manage the property. The Lender's main protection is a solid cushion of equity above the loan amount.

Seeking funds within these parameters:

Lien Position: First

Max Loan to Value: 30% to 70% of new certified appraisal

Capped by lender requirements, comfort level

Note Interest Rate: 5% to 12%

Points: 0 to 10 points

Maturity: 3 to 5 years or longer

Will consider shorter term case by case

Amortization: Interest only or 360 months

Prepayment Penalty: Minimum return negotiable

Property Location: within 100 miles of Savannah, Georgia

Title Insurance: Lender policy paid by borrower

Hazard Insurance: Lender added as first mortgagee

Closing: Title Company or Attorney, as customary in state

Cash to Borrower: Allowed at closing

Seller carryback 2nd: Allowed

Borrower's Cash in Deal: Not required

Borrower's Credit Score: Not required, pure collateral loan

We do not pool lenders funds or collect loan proceeds not secured by real estate.

Typical deal but varies:

- Single family home appraised at \$200,000
- First mortgage or deed of trust for \$60,000 (30% LTV)
- 10% annual interest, 4 points, interest only monthly payments, 3 year balloon
- Close within 4 weeks of accepted agreement
- Signed contract, comps and request to lender upon accepted agreement
- Appraisal, title commitment and insurance binder to lender prior to closing
- Note and security instrument prepared by closing agent or lender.
- Loan proceeds wired to closing agent.

To explore and discuss further, contact:

Gene Robinson
Good Price Homes, LLC
22 W. Bryan Street, # 353
Savannah, Georgia 31401
912-308-3934
www.goodpricehomes.net
goodpricehomes@gmail.com