



- **"Squirrely" Lender Guidelines Killing your Refinancing Pipeline?**
- **Purchase Money Deals Drying Up?**

GREAT NEWS – **Commercial Refi's are at Record Highs, Purchases are Steady!**

Use us and get at least "YOUR Fair Share"

Owner-Occupied Purchases with up to 90% LTV (SBA-504b)

- COMMERCIAL Deals are NOW Paying 1.0% to 2.0% Commissions!!

We've become the best source for wholesale lending with small to medium size Commercial Real Estate deals - **\$400,000 to \$6,000,000**. We can make you look good with your borrowers, buyers, real estate agents and investors. You can find these deals easily within Your EXISTING client base:

- **Residential Investors** "Moving-Up" to Office and other Commercial Deals (1031's too).
- **Small Business Owners** wanting to BUY a building or office space rather than lease.
- **Small Business Owners** needing to **ESCAPE** rapidly escalating payments (SBA or Prime +)
- **Residential Realtors** trying to "Go Commercial".
- **Local Bank Turndowns** there's many of these that we can "do" with YOUR help!

Commercial lending is seeing the kind of **"Refinance Boom"** that blew through residential a few years ago. YOU should take advantage of this opportunity IMMEDIATELY. We can help – by providing aggressive broker fees, competitive finance rates and the **"Softest"** prepayment penalties in the biz!

We're very good at getting "Deals Done" for the most common types of Commercial Income Properties:

- **Single-Family (SFR) Conversions**
- **Office Buildings**
- **Warehouses and Industrial Plants**
- **Retail Strip Centers**
- **Self-Storage Units**
- **Mixed-Use Properties (Retail/Office with Resid.)**
- **Office Condos (Owner Occ. or Investment)**
- **Auto Service Centers**
- **Restaurants and Stand-Alone Retail Stores**
- **Assisted Living Facilities and Funeral Homes**

For most Commercial Mortgages we process the loan and require very 'minimal fees' up-front. This leaves room for YOU to earn a "good living" on these deals – **Broker Compensation of 2.0% (Owner-Occupied) or 2.0% (N.O.O.) or 1.0% (Gas Stations/Hotels/SBA-7a)** of the loan amount paid by us at closing. Most purchase deals require 10% to 50% owners equity, however seller financing is usually permitted up to 80% CLTV.

Commercial Mortgages TRAINING Outline:

- Industry Overview and Outline
- Commercial Lead Recognition and Generation
- Basic Math and Transaction Terminology
- "Newby" Investor and Realtor "Shock Factors"

PLEASE – review the attached documents:

- DUK's (did-you-know) and FAQ's for "Top-Notch" Residential Brokers looking at Commercial.
- Sample (Recent) Rate Sheet
- "Magic Questions" for Pricing a Comm. Deal



"Did - You - Knows" vs. "Frequently Asked Questions"

1. **Our Underwriting, and Final Document Prep., is the FASTEST in the Industry.**
 - 1 Day turnaround on Prequal.Quotes (Loan Proposal) and L.O.I. (Letter-of-Intent/App.Pkg.).
 - 8 to 10 Business Days for U/W once complete package is received (PLUS SBA if Required)
 - 2 to 3 Business Days for Closing Documents once Appraisal is completed.
 - On-Site (or Teleconference if "long drive") Sales Assistance and Training
2. **BEST Commissions (to YOU) for Small Balance Loans**
 - 1.0% to 2.0% of Loan Amount (\$100,000 Maximum)
 - \$10,000 to \$20,000 (to YOU) on Typical \$1,000,000 Loan Amount!
 - NO Fee Disclosure necessary to borrower
3. **BANK Based RATES - vs. "Private" or "Semi-Hard" Money**
 - PAR Pricing for YOU (Brokers) starting at Prime plus or based on InterBank-Rates for 3, 5, 7, 10 Yrs.
 - **1.0% to 2.0% Broker Fee to You INCLUDED** in Most all QUOTES (Up to \$100,000).
4. **CONSTRUCTION Loans Available with Permanent Financing**
 - Same Property Types and Same LTV's (SBA is 75%-90%) as our Portfolio Loans
 - One Time Qualification, Approval and Closing – 1.0% to 2.0% Broker Commission (\$100,000 Max.)
 - NO-ONE Else offers Construction - AND - Permanent Together to Brokers (like YOU) in the \$500,000 to \$6,000,000 Range
5. **Our Prepayment Penalties are the "Softest" in the Business.**
 - NO "Lock-Out", "Guaranteed Interest", "Yield Maintenance", "Income Replacement" nor "Defeasance" - these can often mean a 30% to 50% Prepayment Penalty!!
 - Add to the Loan Amount WITHOUT Refinancing and WITHOUT Penalty
 - 1.0% Assumption (plus Increased Loan Amount if needed)
 - Waive the last year (or more) when refinancing with us

Frequently Asked Questions – Residential vs. Commercial

- **Why would a top-notch residential originator even want to care about commercial mortgages?**

You want to stay in touch with your clients in order to serve any real estate financing need they may have. Many of your current clients are 'moving-up' to investing in apartment complexes, small office buildings, self-storage facilities and other 'low-end' commercial opportunities instead of continuing to buy, rent, manage and 'flip' residential properties. YOU should get this business!
- **I don't know a thing about commercial financing, do I really want to try and offer this to my clients?**

You don't want, or need, to be a "commercial expert" to help your clients. It's a highly specialized, Financial-Based, industry. But, to best serve your client, you'd like to bring in someone that understands their issues and can help them achieve their goals in this transaction. However, if you want to develop some basic commercial real estate financing skills, we've produced an excellent "Introduction to Commercial Real Estate Finance" that's worth your time to review.
- **Key Question – How am I paid and when? Do I need to disclose this to my borrower?**

1.0% to 2.0% in Broker Protected Compensation is built into most deals..
YOUR client does not see your fee in any disclosure (Commercial Lending is NOT subject to RESPA) – origination fee is shown as due the lender (us) Broker Fee is NOT shown at all.



F.A.Q. - continued

- I'm getting all kinds of stuff from other Commercial Lenders – folks like Bay View Commercial, Velocity, Cherrywod, Kennedy and many others. What makes you guys any better?

Our rates are closer to your client's local bank rates – NOT "hard-money" rates. These other folks charge anywhere from 8.9% to 16% interest rates, as much as 3 to 6 points 'up-front' and a host of 'junk-fees' BEFORE they allow YOU to make any money on the deal – either up-front through a broker protection letter with your client that spells out your fee as an 'additional charge' or as an 'add-on' rebate that raises the interest rate even higher on the 'back-end'.

AND - their Prepayment Penalties might be really, really Deal Destructive! You may see "Lock-Out", Yield Maintenance, Income Replacement and/or Defeasance to create a penalty in excess of 30% to 50% of the remaining loan amount for years to come! OURS are the "softest" in the biz!

Additionally, we take most ANY sized deal – as small as \$400,000 to as large as \$6,000,000.

- What is happening in the Commercial marketplace – in Residential we're suffering from higher rates, far fewer refinances and an almost dead purchase money market! What about Commercial??

We're buried by a refinancing boom, honestly! Many small commercial deals were done with banks over the past 7 to 10 years. These deals are at prime plus anywhere from 3.0% to 7.0% - which means that they're paying upwards of 8.0% to 12.0% for these loans. They often need to put equity back into the property in the form of New Improvements. At rates in the high 5% to 7% range, you can do that for them while 'fixing' the rate for up to 10 years!

Also, a lot of small business owners (and large ones too) are buying their own offices, warehouses, industrial facilities, whatever – they need financing and most of them only know of their local banker. But, he'll 'float' the rate with prime, he'll also file a lien on their inventory, equipment, company vehicles and worst of all, their homes. And, he'll want them to 'turn' the loan every 3 to 7 years besides!! You're offering financial stability without tying up anything except the Subject Property!

- How do I get started finding Commercial deals?

Your current client base is your best, immediate, bet. Get an e-mail out to them letting them know you've recently added Commercial Real Estate financing to your 'bag-of-tricks' and that you're able to help them with these solutions just as easily and painlessly as you do with Residential.

Work with your Title Company to send a mailing to all of the owners of Commercially Zoned property parcels in your target market area. These folks are not yet inundated with mortgage mailings!

Contact your real estate agent referral sources – a lot of their investor clients want to 'move-up' from residential properties to commercial properties. You can help them get these deals done!

- Who's my contact for Commercial Lending?

Jim Howell, Freedom Capital, LLC. E-Mail me YOUR contact information and I'll make sure you're on our monthly update list. Jim@FreedomCapital.biz - 480/656-2688

We're ready to help YOU look good with YOUR commercial clients!



Commercial Mortgage Brokerage Agreement

You (the Broker), _____ agree to enter into this Commercial Mortgage Brokerage Agreement (Agreement) with Freedom Capital, LLC (Lender) as an independent contractor to attempt to secure a commercial mortgage loan from the Lender.

Your Borrower Information (if desired):

Name: _____

Type of Property: _____

Property Address: _____

The broker's fee for this, and all subsequent transactions whether or not this form accompanies said transactions, will be calculated using the then current Freedom Capital Rate Sheets and "Magic Questions" document(s) with the amount confirmed by Lender with the Loan Proposal and/or the Letter-of-Intent. Any additional fees **(IF permitted by Lender/Bank/SBA)** between Borrower and Broker must be executed with a separate written agreement within or outside of escrow and prior to Lender underwriting.

Accepted and Agreed:

by Freedom Capital, LLC

by the Broker

Jim Howell, Partner/Principal

(Name, Title and Date)

(Company Name)

(Telephone Number)