INVESTOR
real estate loans

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RENTAL DEAL



OVERVIEW

- Single-Family Residence
- Purchase Price = $170K
- Rehab = $10K

FUNDING/CLOSING

- Short-term loan closed in 1 week.
- Rented property for $1,800/month within 2 weeks.
- Rate term refinanced with a long-term loan in less than 60 days from original purchase date.
- Lender was able to use appraised value for refinance.

Appraised for over $250K, so the borrower bought the property and refinanced it (all costs rolled into each loan) with $0.00 into the deal.

Owner-Occupied (O/O) Deal:



OVERVIEW

- Single Family Residence
- Purchase price = $205K
- Rehab = $25K
- Wholesaler had bids up to $185K from flippers. However, the wholesaler made $20K extra by finding a buyer who wanted to live in it.

CLOSING/FUNDING

- Closed as soon as the wholesaler had the property and the current owner was ready to sign.
- $10K in rehab done PRIOR to appraisal. $15K additional rehab required to bring property up to neighborhood standards.
- Lender able to use the appraised value for the refinance. **Key is they showed before and after photos, along with a detailed budget and work completed**.
- Value of property between $280K and $290K. Buyer didn't need the spread that flippers or rental owners require. They just need a property with built-in equity.
- Buyer created $40K to $50K in equity on their purchase and only had the extra rehab invested into the home.

Long-term loan approved prior to buying the property. Waiting on buyer to update some information and have property ready for appraisal. In theory, they should be into their short-term loan for less than 30 days with $0 money into the property (FHA long-term loan). Even with the buyers waiting on information, the two-step loan process should only take about 90 days from start to finish.