Bailout Funding:
Short Term Bridge Equity Financing

Hello,

My name is Tod Snodgrass, with Creative Transaction Funding. We offer Short Term Bridge Equity Financing (STBEF) secured by real estate. Our joint venture, first position funding is available on a nationwide basis. Our focus is originating creative financing solutions that bridge the void created by banks by providing real estate investors with funding options that are "outside the box".

Are you working on any deals in need of short-term bridge financing? We are happy to pay for referrals!

Joint Venture Funding Amounts: $25,000 - $500,000
Term: Six Months or less
Security: 1st Position or equivalent

A. A partial list of potential scenarios we will consider funding includes:

1. Pre-foreclosures

2. Tax delinquencies

3. Properties in probate

4. Divorce

5. Liens

6. Clouded title

7. Properties in need of cosmetic-only upgrades to boost the CAP rate, i.e. paint, minor repairs, etc.

B. Here are our general funding parameters:

1. We only work with experienced real estate investors (REI Pros)

2. There needs to be a substantial amount of equity and/or profit in the deal for the REI Pro, i.e. 40% or so or more.

3. The principal must have already worked out their exit strategy

4. Our normal markup is 50% Thus, if we provide $50,000, we receive $75,000 ($50,000 + $25,000) in return. The markup can go higher if the deal involves more risk.

C. We pay a 2% referral fee with full account protection to loan professionals.

D. Here are some examples of deals we are prepared to fund, where we are dealing a REI Pro i.e. the "principal":

1. The principal had a small amount due on their rental property mortgage. Some of the units were in disrepair which meant they could not find good renters or charge market rates. They needed funds to

upgrade the property. However, since their credit score was low (due to financial overhang from COVID when some tenants stopped paying rent), they could not get a refi loan. A loan broker referred them to us. We paid off the current mortgage and provided enough funds so they could upgrade the property. Based on a substantially higher CAP rate, once all the units were rented (at higher rental rates), they were able to secure a favorable refi loan and pay us off.

2. Cure (bring current) a NOD (in pre-foreclosure) first position loan so the owner would not lose all his equity at the auction/Sheriff's sale. We first paid off the overdue balance, then followed up by paying off the entire balance due. This involved a deed-in-lieu, cash-for-keys transaction because the owner could no longer afford the property. The previous owner walked away with a good chunk of money. Our firm subsequently sold the property to another buyer which is when we earned our profit.

3. The principal owned their current property free and clear. They wanted to buy a larger property. However, despite having enough income, no lenders would cooperate due to their very low FICO scores. What they needed was a jumbo down payment. One lender had committed to a 50% loan, which meant the principal had to come up with 50% down that they didn't have. Our firm provided the missing 50% down payment money.

4. Seller Carryback Down Payment (DP): We supplied DP funding to the REI Pro because the current owner was highly motivated to sell now. The key was that the seller was willing to temporarily subordinate to a second position, six-month note for 80% of the purchase price, allowing our firm to take a first position note for the down payment amount we provided. Once we were paid off, the second position note automatically assumed first position status.

5. A General Contractor Investor (GCI) owned two acres of prime residential real estate, free and clear, with no loans or liens against the property. The land had already been successfully subdivided, entitlements were all in place, architectural drawings and plans were 100% complete for all the multis he wanted to build. Further, the GCI has already arranged a construction loan with a major bank for all the new houses, to be built, one after another, in a series. The only thing left to do, prior to starting work, was to pay for the (already approved) permits on the first couple of units. The problem is that the GCI's wife recently filed for divorce, tying up all the CGI's assets, including the funds he had previously put aside to pay for the permits. We provided funds for the permits, using the land as collateral. By prearrangement, the bank providing the construction loan had agreed to "overfund" the construction loan to provide payback to our firm.

6. A property was part of an estate. The owner died and the property went into probate. While the commercial property had a lot of equity in it, there was still an outstanding first mortgage with a modest amount still due. The court ruled that the mortgage had to be paid off completely before probate could close. The four heirs to the estate did not get along well. The result is that, because of a total lack of trust, none of them would agree to pay off the amount due on the mortgage. It was a financial standoff. Our firm was referred into the situation by an attorney. We provided sufficient capital to pay off the current loan balance. Probate was able to close; the heirs got their money; our firm was paid off for its investment + standard markup.

7. Ultra short-term funding: The principal in the deal needed $105,000 for just five (5) business days. They needed the funds for about one month in the future—again for less than one week to close on a very equity-rich acquisition for which they had already worked out an ultra-short term exit strategy to pay back my firm. They were using another property they owned, free and clear, for cross-collateralization purposes. Once the deal was done, our firm was paid off for its investment + standard markup.

E. If you believe you have a deal that meets our standard criteria, please send an email to creativetransactionfunding@gmail.com and request a Deal Work Up Form.

Looking forward to hearing from you soon.

Sincerely,

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