



Financing Updates

LAND FINANCING

We now have a new national lender providing fixed rate land financing on entitled land at approximately 9.50% for up to 3 years.

INCOME PROPERTIES

CAN YOU BELIEVE HOW LOW THESE RATES ARE?

Fixed-Rate Property Loans

<u>Property Type</u>	<u>10 year rates</u>
Apartments – Fannie Mae	4.35 – 4.97%
Senior Housing	4.54 – 4.97%
MHP	4.35 – 4.97%
Commercial Properties	4.50 – 5.40%

HARD MONEY

Hard Money interest rates range from 10.50% to 15%, so think of Hard Money as an inexpensive partner. Hard Money can move quickly, can be very flexible, and can lend into situations that banks can not!

EQUITY CAPITAL STRUCTURES

Most mezzanine financing requires personal guarantees, but you own 100% of the project.

Equity typically does not require personal guarantees, but you forfeit a percentage of the profits.

You make the decision.

CREDIT TENANT FINANCING

Pricing for low leverage credit tenant financed loans is as low as 0.90% spread over 10 year T-Bill; 4% fixed for 10 years as of June 16th.

MORTGAGE SALES & PURCHASES

We are looking for individual and portfolios of performing and non-performing assets to purchase. Bring us your hungry, tired and poor!

RECENTLY CLOSED LOAN

\$5,900,000 was funded in May to provide capital for restructure financing on a 23 acre site located in Palm Springs, California. The site includes 7 improved lots ready for development, and 1 lot improved with a service station. The funds provided “cash-out” to the borrower, there was no appraisal required, no good faith deposit, and no commitment fee.

ECONOMIC UPDATES

•Federal Reserve policy makers reduced the benchmark U.S. interest rate to 1 percent on June 25th, the lowest since Dwight Eisenhower was president 45 years ago!

•Ten year Treasury rates begin to creep up, but remain incredibly low despite a 20-25 basis point rise over a period of two weeks.

•The number of U.S. workers filing for state unemployment benefits fell more than expected last week to the lowest in 3 months. This suggests the pace of job cuts may be easing.

•Greenspan has warned of possible “corrosive” effects from slowing inflation or from broad decline in prices, called deflation, that might sap profits and change spending behavior.

•Economists expect low rates and recent tax cuts to lift the economy to a 3.3% annual rate of growth in the 3rd quarter and 3.5% rate in the 4th quarter, from 1.9% in the first 3 months of the year. Manufacturing (one of the hardest hit sectors of the 2001 recession) is showing signs of rebound.