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# Success Story: Fix & Flip - Investor Rehab Loan

## Three Brothers and a Sister

The sister, a licensed real estate broker, operates a residential real estate & finance company and heads-up a family rehab business. The brothers, all licensed contractors, are skilled in framing, masonry, plumbing & electric. Their strategy; purchase pre-foreclosure properties, make necessary repairs then sell – all within 60 to 90 days.



An opportunity arose to acquire a SFR that was pending foreclosure with a notice of sale just filed – translated: only three weeks to sale, and to determine project viability.

The costs associated with the repairs, were limited to the material costs, as the labor portion would be provided by the brothers. The overall condition of the subject property was good, requiring little more than cosmetic improvements; paint, carpet, landscaping, replacement of several interior doors, a window, guest bathroom shower repair and completing the enclosed patio – all estimated at \$12,500.

HanoverMC identified the feasibility of this project and funded the loan before the sale date, enabling the investor’s to leverage their capital and invest their sweat equity ensuring the projects success – Record, Rehab and Resale in 56 days.

With deal structuring expertise and sufficient local knowledge to quickly qualify a borrower and collateral property, **we can help your clients meet their most critical financial and timing needs.**

**PRIVATE MONEY for Investor Rehab Loans. We lend on Distressed Real Estate Investments. Investors can now take advantage of the abundance of disposition properties for sale.**

### REHAB LOAN TERMS:

- **Loan Amounts:** \$50,000 to \$300,000
- **Term:** 6 months with up to two 90 day extensions
- **Rate:** 12.00%
- **Points:** 3-5
- **LTV:** Up to 65% A.R.V.
- **Down Pmt:** 10-20% of Purchase Price.
- **Reserves:** Approximately 50% of rehab costs & 6 months payments.
- **Rehab Budget Financing:** Up to 80% of rehab budget with fund control.
- **FICO:** no minimum required
- **Rehab Timeline:** All rehab work must be fully completed within 90 days of funding.
- **Loan Fees:** \$2,290
- **Timeline to Fund:** 10 to 15 days

### PROGRAM HIGHLIGHTS:

- No Primary Residence
- No Pre-Payment Penalties
- Short Term Bridge Financing
- Lien position - First only.
- Rehab funds - control fund required if rehab portion is financed. Third party control fund fee of \$1,200 applies.
- Property must fall at or below disposition value, as determined solely by HanoverMC
- Investor must demonstrate ability to repay or refinance in the event of inability to sell the property.
- Investor must personally guarantee all loans, regardless of title vesting.

**The rehab investor must have “skin in the game” in the form of hard cash.**

**Capitalize on our Common Sense®**  
**(714) 838-1474**

**When banks can't compete, Think outside the bank!™**  
Closing loans that banks can't or won't!

