



Deal Certainty:

Ten Tips For When It Absolutely Positively Must Close in Days


It can happen to anyone, even “A” paper sponsors. A terrific purchase or short-pay opportunity requires immediate deal certainty and closing, or perhaps your client requires a last minute reload of their lender because they were dropped on their head by the prior lender.

When your transaction MUST close in 7 to 10 days, or less, a few absolutes need to be observed and followed. They include:

- 1 Work with a proven, direct, private money lender. There’s simply no time for the bank or amateur hour.
- 2 Consult with your client and make certain your client/sponsor is realistic from the onset – this includes the expectations on leverage level, loan structure and cost of funds – quality direct, private money lenders won’t charge more for the speed, yet they’ll certainly charge more than the bank...and considerably less than an equity partner.
- 3 Fully engage and cooperate in the process from Day One. It takes a village.
- 4 Have ALL the paperwork, documentation and required cash down payment/equity prepared and immediately available, including third-party reports and the sponsor’s financial data. Make certain your client possesses the required cash necessary to close.
- 5 Help organize property inspection for the lender ASAP – get to deal certainty on Day One if you can.
- 6 Use the Lender’s reputation and track record, if necessary, to inject deal certainty and to secure a short extension on the deadline. As direct lenders, we’ve all made those calls to leverage the strength and reputation of our brands into a few precious days for the client.
- 7 Once engaged, stay engaged. The experienced Lender will allocate the proper resources and tools to get the transaction closed, and after all the time, effort and expense, will expect to see you and your client at the closing table.

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- 8** Recognize the differences between structural loan changes and last second increases in financing costs. Structural changes MAY become warranted or necessary as a result of concerns or issues identified during the due diligence period. A bump in the Lender's rate or fees, on the other hand, often results from that Lender's desire to take advantage of the situation, obviously unethical.
- 9** There will be issues and challenges – expect the speed bumps and be prepared to assist while managing your client's reactions and pressures.
- 10** Repeat the process. The Lender that performed and closed did so because of experience and resources coupled with a commitment to integrity and professionalism. They'll be there long after you've met your client's deadline, and just in time for the urgent needs of your next client.

There has always been a time and place for private money. The greatest true strength of the private money industry has been speed and responsiveness. The large, fund-based private lenders take this strength to a completely new level with their combination of deep resources and decades of experience. The industry has grown, adapted and reacted in concert with the challenging economic cycles, the improvements in technology and the many opportunities they foster. Large, fund-based lenders can do things that traditional banks never dreamed of, and the best managed firms continue to outlive many of their more conventional banking OR hard money counterparts. They do so by choosing to add value through responsiveness or by remaining relevant through the design of lending models that fill a sensible market void rather than acceptance of unnecessary risk, the latter being the domain of yesterday's hard money lenders. 

Examples of SFG transactions that required immediate deal certainty and closing:

- Anaheim Industrial
<http://www.seattlefundinggroup.com/sfg-deal/closed-in-one-week/>
- San Diego Commercial
<http://www.seattlefundinggroup.com/sfg-deal/reposition-of-unstabilized-asset/>
- La Jolla Residential
<http://www.seattlefundinggroup.com/sfg-deal/acquisition-short-pay/>
- Pt. Loma Residential
<http://www.seattlefundinggroup.com/sfg-deal/three-days-from-start-to-finish/>
- Park City Commercial
<http://www.seattlefundinggroup.com/sfg-deal/prime-commercial-park-city/>
- Seattle Commercial
<http://www.seattlefundinggroup.com/sfg-deal/seattles-best-retail-location/>