

Paul E Stansen, APC

Realtor-Broker ▪ 35+ Years Real Estate Expertise ▪ Attorney
2023 - 2024

IS NOW THE RIGHT TIME TO REFINANCE?

The Equity and bond markets, politicians, and the FED are all creating uncertainty that is negatively impacting financing commercial properties. With continuing inflationary pressures and out of control government spending, you need a trusted advisor and advocate on your side. I stay **personally involved** as your Broker and Attorney in every financing endeavor.

**Without regard to where interest rates move,
you are likely compelled to refinance due to loan reset or maturity.
We will help find you the best solution, loan rate, and terms!**

Conventional wisdom is now developing that the economy is headed for "higher-for-longer interest rates" which will change your business dynamics. If you are pondering selling, let's crunch the numbers and have a deeper conversation.

UPLOAD DOCS – EASY AS 1-2-3

HERE: <https://stansen.com/loan-upload/>
Secure Server – Everything is Encrypted

1

I need to understand your financial situation and business ► **please upload:**

- Promissory Note/s – for ALL LOANS (regardless of whether subject to reset or maturity)
- Mortgage Statement/s – Most recent for ALL LOANS w/Lender contact info
- 2019+2020+2021+2022 Complete (**FEDERAL**) Tax Returns, all schedules, for Business Entity
- 2019+2020+2021+2022 + **YTD 2023** – Profit & Loss Statements & Balance Sheets
- Liquidity Statement demonstrating 10% of loan request + supporting bank statements

Provide Financials

2

At NO initial cost to you, your information / documentation will be reviewed resulting in our written findings, thoughts, & strategies. If everything looks good to proceed, I will present you with an exclusive representation agreement for DocuSign - electronic signature.

Then, we will gather additional needed documentation **see below** to create a presentation to several lender prospects to solicit / negotiate the best possible competitive rates and terms.

Assess & Analyze

3

Tell me more about the owners whose ownership interest exceeds 20%+ ► **please upload:**

- PFS – Personal Financial Statement – PFS SBA Form 413
- Schedule of Liabilities SBA Form 2202 – Notes, Mortgages, Accounts Payable
- Schedule of Real Estate Owned
- Professional Resume – Tell the Lender why you are a great borrower candidate
- Global Table of Mortgages w/interest rate, maturity
- Commercial Real Estate Loan APPLICATION
- Any recent APPRAISAL (dated within last 4-7 years)

Gather Data on 20%+ Owners + Property

***HOTEL OWNERS – please upload:**

- STR REPORT (most recent, if not an independent)
- ADR Report (Average Daily Rate per Room)
- Occupancy Report
- Franchise Agreement (if applicable)
- Construction Bid Estimate if Renovations are to be paid from loan proceeds

OUR AIM IS TO HELP YOU MAKE INFORMED DECISIONS!

If your property is currently listed for sale this is not intended as a solicitation. We do not solicit the offerings of other brokers.

1187 Coast Village Road # 1-701, **Montecito**, CA 93108 ▪ 26500 Agoura Road # 545, **Calabasas**, California 91302

Office **888-529-6632** | Fax 818-332-4238 - www.STANSEN.com ▪ **PESAPC @ STANSEN.COM**

Attorney CO 13821 ▪ SBC# CA 165037 - **Broker** DRE# CA 00923138 ▪ CO 100078181



Paul E Stansen, APC

Broker • Attorney • Tax • Consultant

Please visit: <https://stansen.com/commercial/>

PAUL STANSEN
Trusted Advisor
Brokerage • Loans • Tax • Law

REAL ESTATE PROFESSIONAL – TRUSTED ADVISOR



Exposure to Innovation: As an active Broker / Attorney, I am updated in the latest trends, contractual forms, & technical / computer platforms that make a difference in the delivery of services.



Competitive Advantage: In truth, real estate is complex involving a myriad of disciplines that necessarily intersect. As a Broker & Attorney ensures you are best-represented during the transaction when it matters most to BOTH of us.



Personally Involved: I stay personally involved in every transaction, from beginning to end. There is no one between us. I work for YOU.



Strategizing: Real estate is nuanced requiring pulling information and data from several sources, not just one, that are embedded in CoStar, LoopNet, MLS, PropertyRadar, Westlaw, and many other resources.



Engagement: My scope of responsibilities are defined, and expectations managed pursuant to a written Exclusive Representation Agreement and compensation is typically incentive / commission based.

FINANCING • EXPLORE YOUR BEST OPTIONS

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BROKERAGE

California DRE 00923138

Stay Informed. Transacting commercial investment properties, in a fast-paced environment, pivots on **Informed Decision Making**.

Competitive Advantage. My clients reap a huge competitive advantage from my 30+ years of real estate experience as a Broker and as an Attorney that allow me to counsel you on the best real estate strategies to navigate & negotiate favorable commercial transactions and commercial financing.

Comprehensive Client Representation is what differs me from all other agents. I deliver a myriad of needed professional services during the transaction when it matters most. The results include more favorable outcomes and costs savings.

LEGAL & TAX ADVICE

California SBN 165037

Transactional Attorney. At typically no additional cost, I draft real estate contracts and assist with interpretation issues and implementation efforts all aimed at mitigating and exploiting with the best legal and tax impacts within the transaction.

Reputation. I have earned a reputation for effective and personalized counseling in several practice areas including real estate & business transactions. I take pride in the quality of my work & helping clients achieve positive outcomes.

COMMERCIAL LOANS • Acquisition & REFI

**ARE YOUR BUYING A NEW INVESTMENT?
IS YOUR LOAN RESETTING OR IS IT MATURING?**

No upfront cost or commitment.

Let's explore your best loan options.

Fundamentals. I confidentially review my clients' loan needs, the subject property, and the strengths of my borrower-clients' financials in order to find the right loan options that are most likely to be acceptable.

Specifically, I review borrowers' (20% & greater ownership) loan and financial documentation that leads to summary findings, thoughts, and go-forward strategies. Then, if everything looks positive, we advance in the representation to an exclusive engagement agreement whereupon I process formalized loan requests to several prospective lenders.

The end goal is to find the best possible loan on acceptable terms and then move forward to appraisal and underwriting.

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<https://stansen.com/commercial/>

SBA 504 REFINANCE RATES – REFI even a 7a!

Current SBA 504 Refinance Rates	25-YEAR ▶ 6.82%
Current SBA 504 Refinance Rates	20-YEAR ▶ 6.88%
Current SBA 504 Refinance Rates	10-YEAR ▶ 7.07%

SBA 504 RATES

Current SBA 504 Rates	25-YEAR ▶ 6.80%
Current SBA 504 Rates	20-YEAR ▶ 6.86%
Current SBA 504 Rates	10-YEAR ▶ 7.05%

Refinance Your Real Estate Loan ... and Save on Monthly Costs

- owner/occupied commercial building w/a pending balloon payment?
- you want to reduce your monthly payments and increase cash flow?
- Do you need access to cash?

If yes, refinancing with the SBA 504 Program could be the solution to your needs. The SBA 504 Program enables qualified business owners to refinance their existing loan to a more affordable and beneficial SBA 504 loan. And .. **Business owners can access cash trapped in equity and use it for business expenses.**

What is the SBA 504 Refinance Loan Program?

It is government-backed financing used to refinance existing debt. 504s come with three huge advantages:

- Below-market, **fixed interest rates**
- Stable and **predictable occupancy expenses for 25 years**
- Access cash** trapped in equity

Advantages of Financing SBA 504 Refinance Loan

- Financing up to 90%** of the appraised property value. For cash out projects, up to 85% financing is available.
- Cash out** up to 20% of the value of the property for working capital
- Pay salaries, rent, utilities, inventory or other obligations of the business with cash previously trapped in equity
- Below-market interest rate, currently, ▶ **5.89%** fixed for 25 years
- The ability to consolidate multiple loans
- Existing equity often fulfills the down payment requirement

SBA 504 Refinance Eligibility Guidelines

- 51%+ owner-occupied properties qualify** + other 504 guidelines
- Existing loan must be at least 6 months old
- 85%+ of existing loan must have been for SBA 504-eligible purposes
- The original lender must be **unwilling** to adjust the terms
- Other assets can be used as collateral to get to 90% LTV
- Up to 20% of the appraised value can be used for cash out for other business expenses
- Appraisal not due at application, but will be required for funding

25-Year Loan Term

In 2018, the SBA made a substantial change to the SBA 504 Program, one of its most popular loan programs. This made 504 loans available with a 25-year maturity to complement the 10- and 20-year 504 Loan options.

Small businesses, the Certified Development Company industry and the third-party lenders had emphasized the need for an affordable, fixed-rate instrument with a term more closely resembling other longer-term mortgages and the SBA finally delivered.

To have a 25-year fixed-rate in a rising interest rate environment is very advantageous to entrepreneurs looking to expand their business.

What is the SBA 504 Program?

The SBA 504 loan program allows business owners to finance equipment and other fixed assets, such as fixtures, furnishings and machinery, in conjunction with **purchasing real estate property**. Machinery, equipment and other assets that have a useful life of 10 or more years can be purchased with an SBA 504 equipment loan independent of real estate.

- As low as 10% down preserves working capital
- Below-market fixed interest rates
- Terms of 10 to 25 years, based on useful life of the equipment
- No maximum loan amount** (unlike 7a loan), so it's flexible enough to meet your needs

Loan Timeline and Process

When you take out a loan, one of the big questions is how long it will take to get your money. Because no two loans are alike, no one can guarantee the exact time it will take to provide your financing. Generally, it can take roughly 60 days—comparable to or better than most bank loans—though some loans can close in less than 30 days.

Call to have us run the numbers (a DSCR) to assess your borrowing strength and provide analytics relating to your property and market.



Non-SBA Loans – Conventional, Life, Credit Unions

Loan Pricing is dependent on property type, borrower liquidity (10%), strength of financials, PFS, global debt servicing, appraisal, underwriting, ...

It is my task to gather key financial and property documentation that enables me to present several lenders with your "best loan position".

My team looks for lender prospects in the nearby geographic area (regional and local banking institutions) and elsewhere. Together, we weigh the strength of the Term Sheets, decide about which lender to choose. I stay personally involved with underwriting to deliver your loan!

Commercial Mortgage Rates – vary, 7.5% - 11.00%

Rates are constantly changing, particularly in this economy with Federal Reserve taming inflation. **CALL 888-529-6632**

25- and 30-year amortizations
Maximum LTV at 75%
Minimum DSCR 1.25x
Borrower Liquidity – at least 10%

Recourse / Non-Recourse
5 year fixed, then reset
5 + 5; Other combos available
Many with pre-payment penalties

