



## *How to Professionally Present Yourself Financially*

### ***Building your Banker's\$ Book***

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## OVERVIEW

- Sources of Financing
  - Banks
  - Private Lenders
  - Hard Money Lenders
  - Owner Financing
- Presenting Yourself Financially
  - Building Your “Banker's\$ Book”

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## Sources of Financing

- Banks
  - Freddie/Fannie/FHA Qualifying
  - Commercial Loans and Lines of Credit
  - Where to Find

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## Sources of Financing

- Private Lenders
  - What Is A Private Lender?
  - Why Use Private Lenders?
  - Loan Terms
  - How Secured?
  - Where To Find Private Lenders?
    - Do Not Advertise For Private Lenders!
  - How To Get Private Lenders Calling You!

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## How Would You Like to Get These E-Mails?

- Hi

I read your recent blog post on BP and would be interested to discuss potential investment opportunities. I am a US citizen living in Asia and have done a fair bit of REI on a remote basis - so far all SFRs, combination of fix and flip and buy and hold. I am seeking to expand my volume and also diversify geographically, and am curious what partnership or other structures you have done with other investors?

Many thanks

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## Sources of Financing

- Hard Money Lenders
  - What Are Hard Money Lenders?
  - Where To Find?
  - What Are The Terms?
  - How Secured?

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## Sources Of Financing

- Owner Financing
  - What Is Owner Financing?
  - How Do You Find It?
  - Terms?

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## Presenting Yourself Financially

- No Matter What The Source Of Your Funds, You Will Need To Offer Certain Documents And Other Information That Demonstrate Your Credit Worthiness.
- You Must Demonstrate That You Are A Good Risk.
- A Well Designed “Banker'\$ Book” Does That.

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## *List of Documents Needed*

- Company Overview
- Resumes Of Company Members
- Personal Financial Statement
- Company Tax Returns
  - 2020
  - 2021
- Personal Tax Returns
  - 2020
  - 2021
- Current Credit Report
- List Of Properties Currently Owned
- List Of Properties Rehabbed and Sold
- List Of Referrals

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## **Company Overview**

- Provide an overview of your company.
  - Wholesale or Buy and Hold
  - Rehab to Retail
  - Rehab to Rent
- Describe how long your company has been doing these ventures and who is responsible for each role.
- Include pictures of properties and rehab jobs!

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## Taxes

- Include copies of all Federal (and State, if applicable) tax returns for at least the last 2 years.
- Examples:
  - 1040
    - Individual Income Tax Return
  - 1065
    - U.S. Return of Partnership Income

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## Credit Report

- Download a free copy of your current credit report and include it.
- You can download a free copy once per year at [www.annualcreditreport.com](http://www.annualcreditreport.com)

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## List of Properties Owned

Address	Appraisal	Purchase Price	PITI Payment/ Month	Rent/ Month	NOI
564 Elm	\$100,000	\$75,000	\$665	\$1,000	\$335
123 Oak	\$125,000	\$90,000	\$790	\$1,150	\$360
5023 Ash	\$110,000	\$89,000	\$763	\$1,050	\$287
22 Forest	\$90,000	\$70,000	\$620	\$1,000	\$380
<b>Totals</b>	<b>\$425,000</b>	<b>\$324,000</b>	<b>\$2,838</b>	<b>\$4,200</b>	<b>\$1362</b>

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## List of Properties Rehabbed and Sold

Address	Purchase Price	Rehab Amount	Sales Price	Profit	Days on Market
564 Elm	\$50,000	\$20,000	\$110,000	\$40,000	35
123 Oak	\$45,000	\$10,000	\$67,000	\$12,000	45
5023 Ash	\$25,000	\$15,000	\$55,000	\$15,000	28
22 Forest	\$50,000	\$30,000	\$120,000	\$40,000	55
<b>Totals</b>	<b>\$170,000</b>	<b>\$75,000</b>	<b>\$352,000</b>	<b>\$107,000</b>	<b>N/A</b>

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## List of Referrals

- Realtors
- Lawyers
- CPA's
- Insurance Agents
- General & Specialty Contractors

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## Additions for Private Lenders

- Personal Letter
- Examples Of How Loan Program Works (Show How Lender Gets Paid)
- Samples Of Deed Of Trust And Promissory Note
- Personal Items, Articles, References, Etc. (Credibility Kit)

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**PERSONAL FINANCIAL STATEMENT AS OF****Jan-22 Presented To:**Applicant name:

Address:

Phone: , Fax

**DOB SSN:**

Employer:

Address:

Title:

Previous Employer:

Title:

Business Name:

Members:

email:

Co- Applicant:

Address:

Phone:; Fax

**DOB SSN:**

Employer:

Address:

Title:

Previous Employer:

Title:

**Advisors**

Insurance Advisor:

Attorney:

Accountant:

**CASH INCOME & EXPENDITURES for year ending****2021**

ANNUAL INCOME		ANNUAL EXPENDITURES	
Salary – applicant	\$ -	Federal Income & Other taxes	\$ -
Salary – Co-applicant	\$ -	State Income & Other taxes	\$ -
Bonuses & Commissions – applicant	\$ -	Rental Payments, Co-op or condo fee	\$ -
Bonuses & Commissions – co-applicant	\$ -	Property Taxes	\$ -
Rental Income	\$ -	Interest & Principal Pymts	\$ -
Interest Income	\$ -	Insurance	\$ -
Dividend Income	\$ -	Investments (including tax shelters)	\$ -
Capital Gains	\$ -	Alimony/Child Support	\$ -
Partnership Income	\$ -	Tuition	\$ -
Other Investment Income	\$ -	Other Living Expenses	\$ -
Other Income (list)	\$ -	Medical Expenses	\$ -
Utility Payments (from renters)	\$ -	Other Expenses (List)	\$ -
Note Payment - 817 Spring Street	\$ -	Business Expenses	\$ -
Background Check/Late Fees	\$ -	Utility Payments	\$ -
<b>TOTAL INCOME =</b>	<b>\$ -</b>	<b>TOTAL EXPENDITURES =</b>	<b>\$ -</b>

Any significant changes expected in the next 12 months? ☐ YES ☐ NO**BALANCE SHEET AS OF:****Jan-22**

ASSETS		LIABILITIES	
Cash in Banks:		Notes Payable to Banks	
	\$ -	Secured	\$ -
	\$ -	Unsecured	\$ -
	\$ -		\$ -
	\$ -		
	\$ -		
	\$ -	Accounts Payable (Including Credit Cards)	\$ -
Readily Marketable Securities (Schedule A)	\$ -	Margin Accounts	\$ -
Non-Readily Marketable Securities (Schedule A)	\$ -	Notes Due: Partnership (Schedule D)	\$ -
Accounts and Notes Receivable	\$ -	Taxes Payable	\$ -
	\$ -		
			\$ -
Net Cash Surrender Value of Life Insurance Schedule (B)	\$ -	Mortgage Debt (Schedule C)	\$ -
Residential Real Estate (Schedule C)	\$ -	Residential Real Estate Debt	\$ -
Real Estate Investments (Schedule C)	\$ 5/10/2022	Life Insurance Loans (Schedule B)	\$ -

Partnerships/PC Interests (Schedule D)	\$ -	Other Liabilities (list)	\$ -
IRA, Keogh, Profit Sharing & Other Vested Retirement Accts	\$ -		
Deferred Income (# of yrs deffered )	\$ -		
Personal Property (including Autos)			
	\$ -		
	\$ -		
Other Assests:	\$ -		
	\$ -		
	\$ -		
		<b>TOTAL LIABILITIES=</b>	\$ -
		<b>TOTAL ASSETS=</b>	\$ -
<b>TOTAL ASSETS=</b>	\$ -	<b>NET WORTH=</b>	\$ -

### Contingent Liabilities

Are you a guarantor, co-maker or endorser for any debt for an individual, corporation or partnership?

Do you have any outstanding letters of credit or surely bonds?

Are there any legal suits or actions pending against you?

Are you contingently liable on any lease or contract?

Are any of your tax obligations past due?

What would be your total tax liability if you sold your major assets?

If yes for any above, give details:

**Schedule A - All Securities ( Including non-money market mutual funds)**

Shares/Face Value of Bonds	Description	Owner(s)	Where Held	Cost (Basis)	Market Value	Pledged?
Readily Marketable Securities		(Including US Govs and Municipals)				
					\$ -	
Non-Readily Marketable Securities		(closely held, traded or restricted stock)				
Total					\$ -	

**Schedule B - Insurance**

Insurance Company	Face amt of policy	Type	Beneficiary	Cash surrender value	Amt. Borrowed	Owner
n/a						

Disability Insurance	Applicant	# of Yrs Covered	Co-Applicant	# of Yrs Covered
Mthly Distribution if Disabled	n/a		n/a	

**Schedule C - See Attached**

**Schedule D - Partnerships (Less than majority ownership for real estate partnerships)**

Type of Investment	Date of Initial Investment	Cost	Percent Owned	Current Market Value	Bal due on Partnership	Final Contribution Date
Business/Profession:						

**Retirement Accts:**

		\$0				\$0
						\$0

**Schedule E- Notes Payable:**

NONE

Please Answer the following questions:

1. Income taxes are filed through Are any returns currently being audited or contested?
2. Have either of you or any firm in which you were a major owner ever declared bankruptcy?
3. Have you a will drawn?
4. Number of dependants:
5. Have you ever had a financial plan prepared for you?
6. Did you include 2 federal and state tax returns?
7. Do either of you have a line of credit or unused credit facility at any other institutions?
8. Do you anticipate any substantial inheritances?

I/we have carefully read and submitted the foregoing information provided on all three pages of this statement to the Bank named above. The information is presented as a true and accurate statement of my/our financial condition on the date indicated. This statement is provided for the purpose of obtaining and maintaining credit with said Bank. I/we agree that if any material change(s) occur(s) in my/our financial condition that I/we will immediately notify said Bank of said change(s) and unless said Bank is so notified it may continue to rely upon this financial statement and the representations made herein as a true and accurate statement of my/our financial condition.

I/we authorize the Bank to make whatever credit inquiries it deems necessary in connection with this financial statement. I/we authorize and instruct any person or consumer reporting agency to furnish to the Bank any information that it may have or obtain in response to such credit inquiries.

Applicant's Signature \_\_\_\_\_ Date \_\_\_\_\_

Co-Applicant's Signature \_\_\_\_\_ 5/10/2022 \_\_\_\_\_ Date \_\_\_\_\_

## Schedule C Real Estate Owned and Investments

Personal Residence	Legal Owner	Purchase Price	Purchase Year	Market Value	Present Loan Balance	Rate	Loan Maturity Date	Monthly Payment (PITI)		Lender
Investment Property	Legal Owner	Purchase Price	Purchase Year	Market Value	Present Loan Balance	Rate	Loan Maturity Date	Monthly Payment (PITI)	Rents Received/ mth	Lender
total		\$0		\$0	\$0			\$0	\$0	