

UNDERSTANDING OUR CLIENTS' NEEDS AND TAILORING AN APPROPRIATE LENDING SOLUTION

Challenges:

- Buyers with bankruptcy history and only fair credit scores
- Time constraints imposed by 1031 exchange requirements

Results:

- Sourced 80 percent loan with highly competitive terms to meet buyers' needs
- Managed bankruptcy issue by focusing on positive financial performance of one buyer
- Loan originator used entire 3 percent allowable seller credit
- Deal closed in 45 days, 10 days prior to the 1031 deadline

Two Virginia investors desired an apartment community in South Carolina priced at \$1.5 million. The property featured some deferred maintenance and minor occupancy issues, offering some upside for the buyers. Each of the buyers had a bankruptcy on their credit reports and only fair credit scores. They wanted an 80 percent loan, using \$400,000 in cash and 1031 funds. The buyers also required a quick close due to a 1031 time constraint.

Marcus & Millichap Capital Corporation (MMCC) understands buyers' particular needs and sourced the appropriate lender for this situation. MMCC finance professionals secured an 80 percent

loan with very competitive terms. We managed the bankruptcy issue by dropping one buyer as a primary borrower on the note and offering the positive financial performance of the other. Our loan originators used the entire 3 percent allowable seller credit given the buyers' recent property experience and were able to "sell" the prospect of increased property performance to meet the underwriting criteria. The deal closed in 45 days, 10 full days prior to the 1031 deadline.

Due to MMCC's relationships with lenders, we were able to meet the clients' specific needs and close the transaction in a timely manner.