

CASE STUDY

DETAILS

Loan Amount: \$3,700,000

Collateral: 23 Single Family Rentals (SFRs)

Markets: Durham, NC and Atlanta, GA

Time to close: 40 days

Recapitalizing and Lowering Risk With a Rental Portfolio Loan





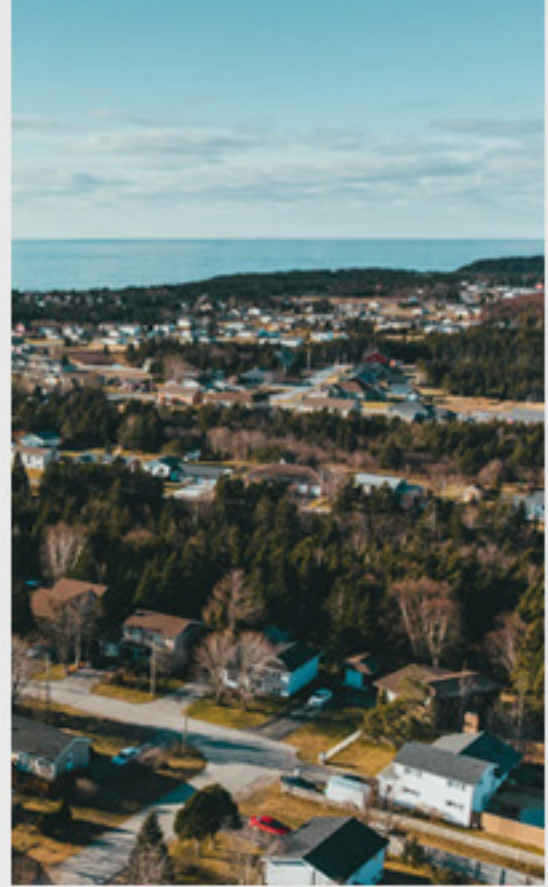
Challenge

The borrowers approached Encore Finance with their properties financed on a private bridge loan that carried a double-digit floating interest rate. They had four main goals:

1. Recapitalize equity from their properties
2. Reduce and fix their monthly payments
3. Shift their financing from recourse to non-recourse to lessen personal liability
4. Secure a quick closing to avoid costly extension fees from their soon-to-



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Solution

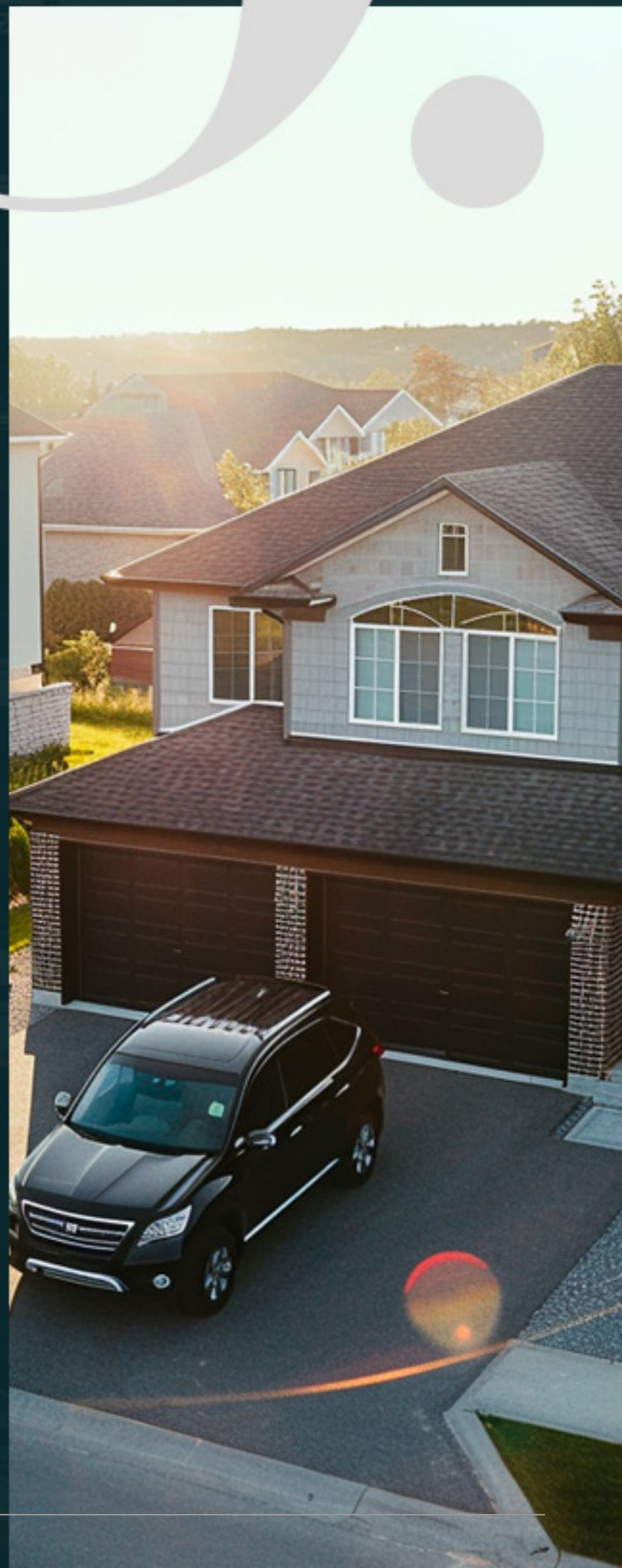
After examining the client's property portfolio and listening to their concerns and objectives, Encore structured and quickly delivered a rental portfolio loan that met the borrower's criteria on all points.

The solution was a \$3,700,000 non-recourse, fixed-rate term loan with a 5-year term and 60% Loan-to-Value (LTV) ratio, using the 23 SFRs as collateral.

Outcome

The new loan enabled the borrowers to recapitalize the equity accumulated through renovation and appreciation by cashing out proceeds. We structured the loan with a full-term, interest-only payment at a lower interest rate than their prior bridge loan, which resulted in monthly savings of thousands of dollars.

Additionally, the loan was non-recourse, accomplishing the goal of minimizing the borrowers' personal liability with this financing. The transaction was efficiently closed in 40 days, allowing the borrowers to avoid extension fees associated with their bridge loan.



Reach Out Today to Discuss Your Next Loan

Encore Finance offers a range of private lending solutions to real estate investors, including bridge loans, rental portfolio loans, and build for rent loans.

Please reach out to Ryan Harper with any potential loan opportunities.

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