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PRIMEAU FUNDING

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ADDRESSING THE FUNDING NEEDS OF INVESTORS, DEVELOPERS AND ENTREPRENEURS

NEWS

Why Private Funding Over Conventional Lending ?

Private commercial funding volume has far surpassed conventional lending and has become the commercial capital source of choice.

Banks have tightened up so much in the last year that they have all but handed the commercial lending industry to private lenders. Borrowers are rapidly learning the benefits of dealing with private lenders and will have a hard time returning to traditional banks after the banking industry turns around.

Entrepreneurs and developers accustomed to the one-way settlement process offered by banks, find working with private lenders a refreshing change.

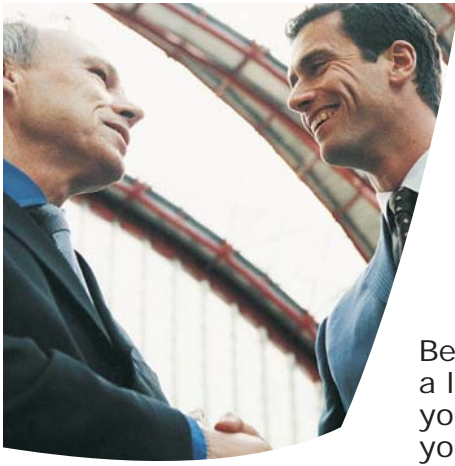
Bank terms are controlled by strict policy and guidelines by which loan officers are forced to comply. Banks offer certain terms and conditions with little or no room for negotiation.

Working with private commercial lenders is just the opposite. When you apply for a loan with a private



MARKET WATCH 08-18-2010

	This week	Month ago	Year ago
WSJ Prime Rate	3.25	3.25	3.25
Federal Discount Rate	0.75	0.75	0.50
Fed Funds Rate (Current target rate 0-0.25)	0.25	0.25	0.25
11th District Cost of Funds	1.797	1.791	1.599



Getting the most from your lender

How well you are prepared when you approach a prospective lender will determine their willingness to give you a good deal.

lender, you present your well prepared loan request with the terms you desire.

Do your research and know the latitude the lender has to work with. Working with a broker has great advantages here, as your broker most likely knows the lender's rates and term preferences, as well as what it would take to get the lower rates and best terms.

Private lenders and banks both must access the risk exposure which will have an impact on the final rate and terms, but all in all, private lenders have a much greater flexibility, can offer more creative methods of financing and are definitely open to negotiation.

Before you approach a lender make sure you have worked your deal backwards and forward and have applied all possible loan terms and conditions. You want to look at your deal through the lenders analytical eyes and make sure the deal/project can support the debt service within the ratios lenders are requiring.

If you have a solid opportunity with low risk, it is fine to request dream-terms, but if your deal has a little more than normal risk, package your loan request realistically.

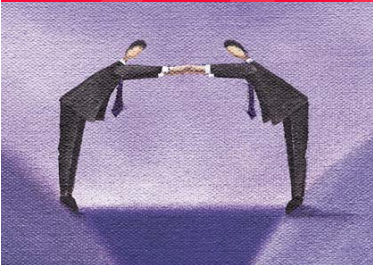
Unless you have a long-standing relationship with your prospective lenders, get a good broker or funding consultant to assist you in the packaging and presentation of your loan request. Your broker/consultant will

analyze your numbers, challenge your assumptions, question your use of funds and make sure all loose ends are tied, thus making sure your loan request will pass the lenders acid-test before they receive it.

Each lender will have a slightly different loan profile worksheet and may have different expectations of the detail required in your executive summary. Your documents must be 100% accurate, offer full disclosure and the executive summary must tell the lender the entire story and entice the lender to consider your request for funding.

Prepare, work with your broker or consultant and make a winning presentation. *"First impressions are everything here."*

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