



**Capitalize on the Growing
SFR Market & Build Wealth
with Private Lending**

**REVITALIZING
COMMUNITIES
NATIONWIDE**





Presented by Jeffrey Tesch
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Perfect Storm for Growth in SFR Market

Increase in:

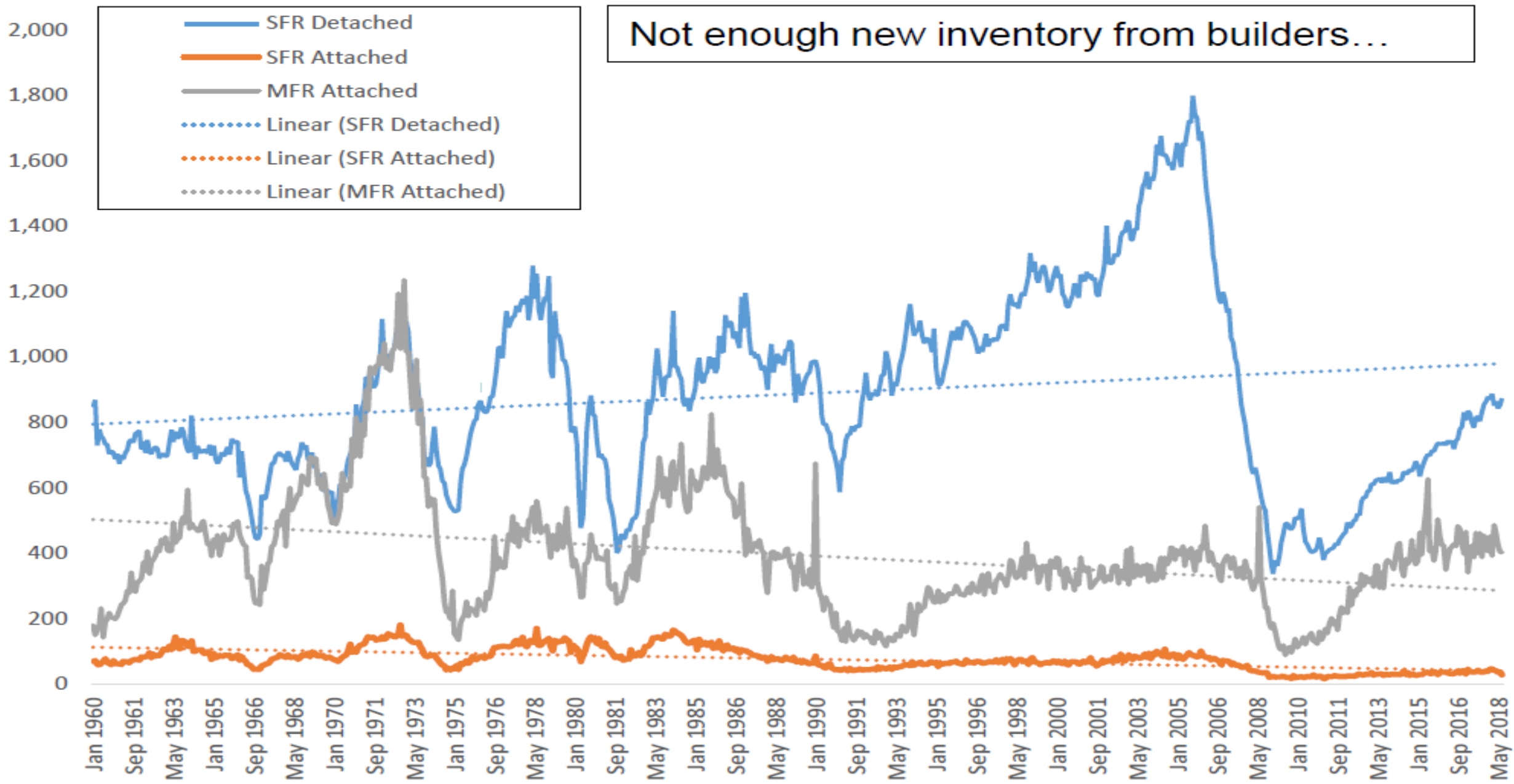
- Credit Standards
- Home Prices
- Rental Options
- Student Loan Debt
- Financing Options



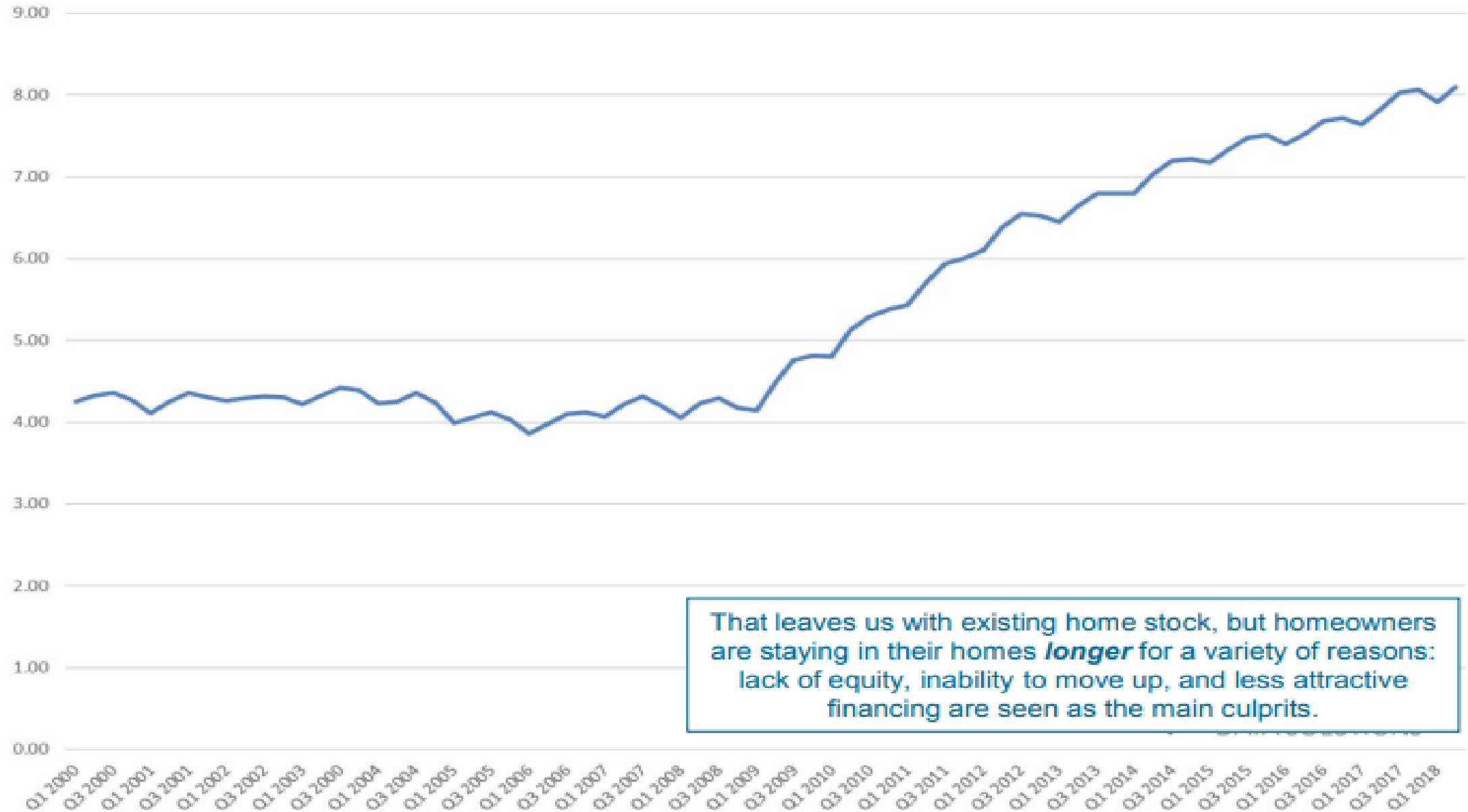
Decrease in:

- Building Permits
- Unemployment
- Vacancy Rates
- Desire to Own A Home

BUILDING PERMIT STARTS (SFR VS. MFR)



HOMEOWNERSHIP TENURE INCREASING



That leaves us with existing home stock, but homeowners are staying in their homes *longer* for a variety of reasons: lack of equity, inability to move up, and less attractive financing are seen as the main culprits.

Tremendous Opportunity in the Space

From 2006 to 2017,
5.4M single-family
homes transitioned
from owner-occupied
to rentals

Single-family
homes comprise
more than 1/3 of
all U.S rental
properties

Individual
investors hold
74% of rental
properties

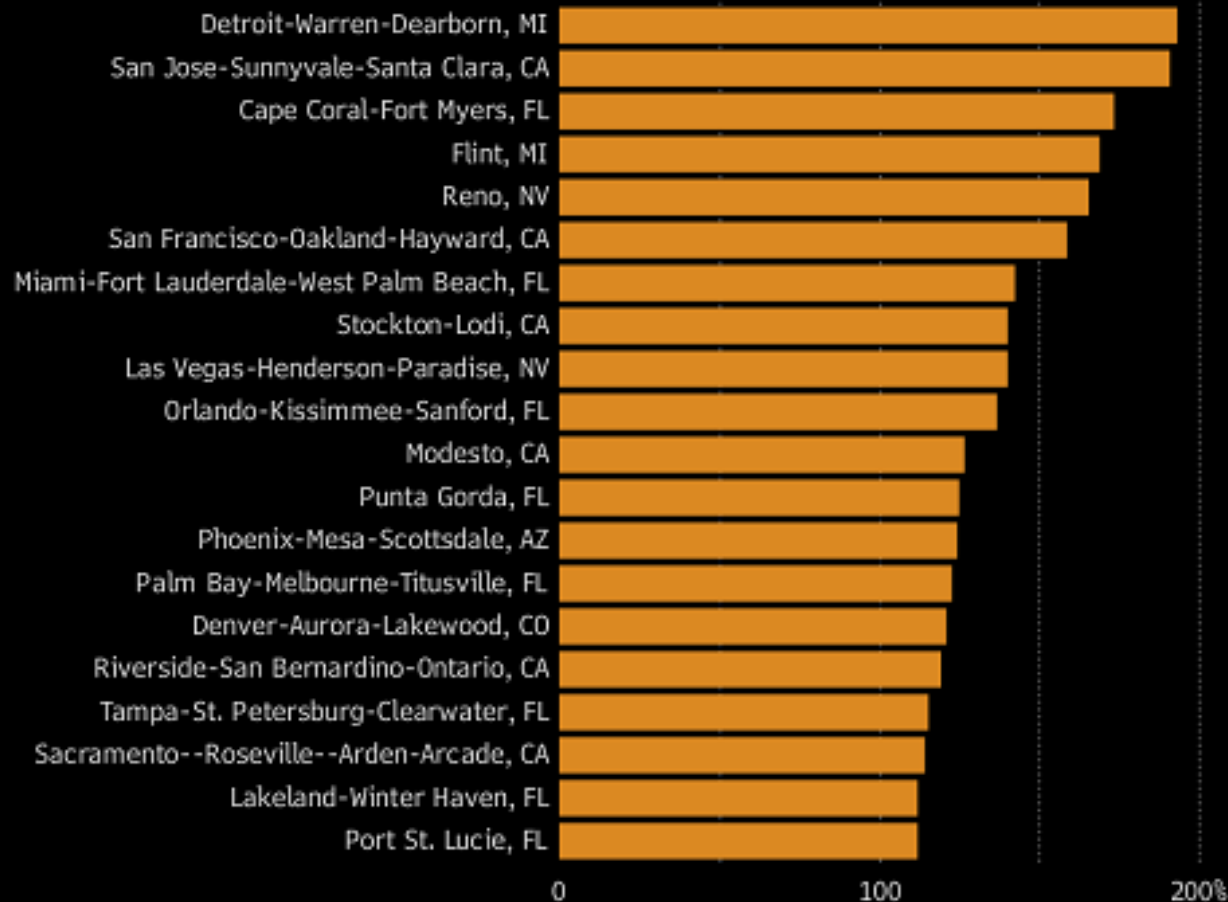
INVESTOR SEGMENTATION BY VOLUME

Segment	Investors	Properties	Market Share	Avg. Value	Total Value
1	8,402,295	8,402,295	53.2%	\$229,513	\$1,928,436,015,287
2 to 5	1,953,837	5,225,858	29.2%	\$202,309	\$1,057,238,668,688
6 to 10	189,233	1,382,394	6.5%	\$171,573	\$237,182,033,126
11 to 25	69,105	1,042,324	4.5%	\$156,872	\$163,511,859,666
26 to 50	13,111	451,046	2.0%	\$159,720	\$72,041,131,238
51 to 100	4,198	285,342	1.4%	\$174,211	\$49,709,798,694
101 to 250	1,709	256,111	1.3%	\$180,199	\$46,151,009,647
251 to 500	343	114,146	0.6%	\$184,016	\$21,004,675,878
501 to 1,000	78	49,092	0.3%	\$191,223	\$9,387,512,524
1,001+	24	184,908	1.2%	\$228,244	\$42,204,099,043
ALL	10,633,933	17,393,516	100.00%	\$208,518	\$3,626,866,803,792

Cities with Greatest Post-Recession Home Appreciation

Tale of Two Cities

Detroit and San Jose would have been best bet to purchase at post-recession bottom



Source: ATTOM Data Solutions

Bloomberg

Average home price in early to mid 2009:

- Detroit - \$47,000
- San Jose - \$395,000

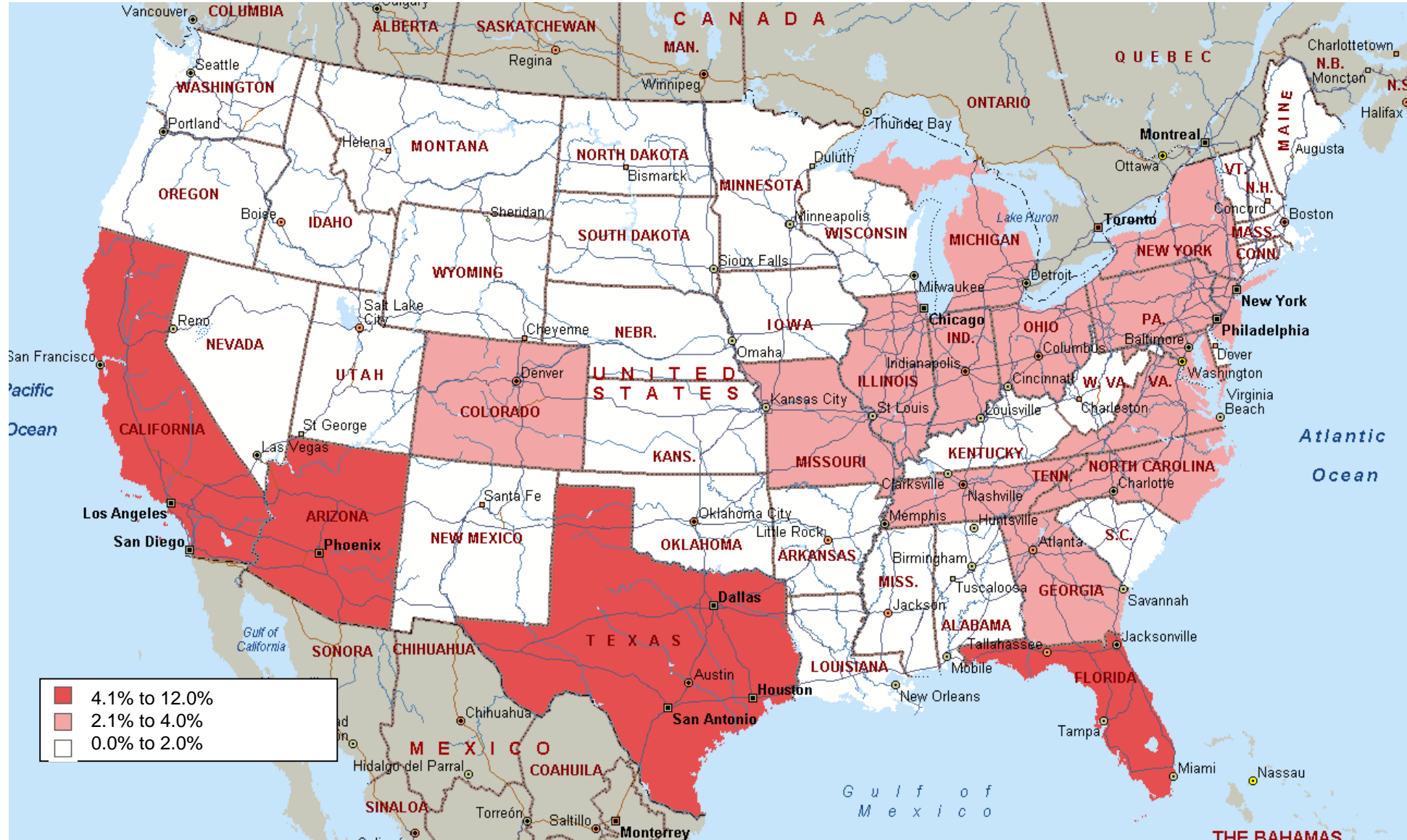
Average home prices in Q1 of 2018:

- Detroit - \$137,900
- San Jose - \$1,150,000

Investor Sales by State - 2017



2017 Market Share of Flipping Activity by State



How Do You Capitalize on These Opportunities?



Do Your
Research



Select
Your
Target
Market



Determine
Your
Investment
Strategy



Find a
Proven
Lending
Partner

Welcome to a new source of business



Commercial Loans for
Residential Investment Properties
Optimize Opportunities
National, direct private lender
Short-term & long-term investment loans

Loans Can Be Used For:

- Straight Acquisition
- Acquisition & Rehab
- Refinance
- Cash-Out



Basic Loan Qualifying Factors

Above all factors, private lenders place an emphasis on the collateral.

Exit Strategy

Borrower Experience, Background & Credit

Market Saturation Levels

Cash Reserves & Existing Leases

Short-Term Bridge



Collateral:

Non-Owner Occupied 1-4 Family
& Multi-Family Real Estate;
Condos; Townhomes; 5+ Unit
Apartments; Mixed-Use Properties

Term:

12-18 Months

Loan Amount:

\$50k to \$2.5M

LTV:

Up to 85% of the Purchase
Up to 70% Refinance
Up to 65% Cash-Out

FICO:

600 Minimum





Residential Purchase Scenario

Single-Family Residence Fix & Flip

- Purchase Price: \$125k
- Renovations cost: \$25k
- Credit Score: 600
- Very Limited Experience
- Qualifies for our short-term bridge loan program
 - 12 month loan; up to 85% of the purchase price
 - Borrower to fund their own renovations

Fix & Flip

After Repair Value Loan

Collateral:

Non-Owner Occupied 1-4 Family & Multi-Family Real Estate;
Condos; Townhomes; 5+ Unit Apartments; Mixed-Use Properties

LTV:

Up to 85% of the Purchase Price +
Up to 100% of the Renovation Cost
Not to Exceed 75% of the ARV

Term:
12 Months

Loan
Amount:
\$50k - \$2.5M

FICO:
600
Minimum

Previous
Real Estate
Experience
Preferred

After Repair Value Loan Scenario



Single-Family Residence Fix & Flip

- Purchase price: \$100k + Renovations cost: \$30k
- Credit Score: 680
- Borrower routinely flips 5 properties per yr.
- Qualifies for ARV program:
 - 12 month loan; up to 85% of purchase price + 100% of renovation costs
- 85% of purchase is \$85k + \$30k rehab holdback:
 - \$115k is maximum amount RCN will lend on (Capped at 75% ARV)
- Down payment needed \$15k.
- Closing costs \$10k
- Borrower receives \$85k at closing
- The full \$30k rehab will be held back in draws
- Borrower fronts the first draw
 - Draw issued upon receiving inspection that shows % of work completed
 - Remaining draws will be issued when each phase of renovation is complete
- Property needs to appraise for \$153,500



Property Value:

As-Is Appraised
Value Must Be
Greater Than \$75k

Rent Coverage Ratio
(Monthly Rent/Monthly Interest)

1.25

Buy-to-Rent Loans

Term: 24 Months
(12-Month Extension Option)

Loan Amount: \$50k - \$2.5M

660 Minimum Credit Score

Collateral:

(Non-Owner Occupied)

- 1-4 Families
- Multi-Families
- Condos
- Townhomes
- 5+ Unit Apartments
- Mixed-Use Properties

LTV:

- **Purchase:** Lesser of Up to 75% of As-Is Value or Up to 75% Loan-to-Cost
- **Refinance** – Up to 70% of the As-Is Value
- **Cash-Out** – Up to 65% of the As-Is Value

Buy-to-Rent Loan Scenario

Cash-Out of a Three-Unit Multi-Family



- As-Is Appraised Value: \$680,000
- Borrower Credit Score: 780
- In addition to the subject property, borrower owns two rental properties
- The subject property is fully leased & generating about \$4k a month in rental income
- Qualifies for Buy-to-Rent Product:
 - 24 month loan; up to 65% of the as-is value for a cash-out
- 65% of as-is value is \$442k
 - This is the maximum amount RCN will lend
- Closing costs \$15k
- Borrower receives full loan amount at closing
 - The borrower used funds to purchase another rental property

Long-Term Rental Loans

Collateral: 1 – 4 Family Non-Owner Occupied Real Estate; Condos; Townhomes; Planned Unit Development (PUD)

Term: 30 Years

Loan Amount: \$75k to \$1M

LTV: Purchase: The Lesser of up to 80% of the As-Is Value or Up to 80% Loan-to-Cost

Refinance: Up to 75% of the As Is Value

Cash-Out: Up to 70% of the As Is Value



Rates:
Start at 5.99%

Requirements:

Property Value: "As Is" Appraised Value Must Be Greater Than \$100k

Credit Score: 620 Minimum

Debt Service Coverage Ratio (DSCR):
1.00

What Does This Mean For You?

- You have funding options for real estate investments, whether they be short-term or long-term
- You can utilize private lending instead of your own money to optimize every opportunity.

Opportunity is Everywhere!



No rigid lines

We evaluate current asset situation rather than focusing exclusively on past.

Financial game changer for poor credit or self-employed.

Lightning Fast Speed!

Closing in as little as **10 days**



Unmatched
by traditional
lenders



RCN
CAPITAL



No surprises at closing

Personal loan officer

Your loan is funded

Your closing goes off
without a hitch

One stop shopping



Lender in
44 out of 50
states

(Not Lending in
OR, AK, SD,
ND, VT & MN)

No new paperwork,
no matter what state you're in

Funded Deals

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Single-Family Home

Dallas, TX

\$320k Purchase & Rehab Loan



- An investor was under contract to acquire the subject property at a discount.
- RCN was able to provide a loan for 80% of the purchase and 100% of the rehab.
- The investor plans on spending just over \$56k on renovations prior to listing it for resale.
- Once sold, the investors anticipate a 24% return on investment.

Two-Family Home

Brooklyn, NY

\$1M Fix & Hold



- An experienced investor who owns numerous properties in NYC, also owns the subject property free and clear.
- The investor was looking to do heavy rehab on the property and convert the existing two-family into a six-family by adding an additional floor to the building.
- RCN was able to provide an 18-month loan at 40% of the ARV.
- The investor plans to refi the property and hold it for long-term rental income.

Single-Family Home

Livingston, NJ

\$295k Purchase & Rehab Loan



- A highly experienced investor was under contract to acquire the subject property as a flip via sheriff sale.
- The investor plans to spend \$65k on renovation before listing the property for resale.
- RCN was able to provide a loan at 85% of the purchase price and 100% of the renovation costs.
- Once the project is complete, the investor anticipates a 41% return on investment.
- The broker earned \$2,950 in fees from the deal.

Single-Family Home

Jacksonville, FL

\$111k 30-Year Rental Loan



- An investor was looking to cash out a free and clear property that they fully remodeled.
- RCN Capital was able to quickly fund a 30-year loan at 60% of the as-is value.
- The investor plans to hold the property as a long-term rental.
- The home is currently leased and generating rental income.

Your reputation is as important to us as our own

Founded in 2010

3,975+ transactions since inception

\$866M+ in total originations



Build your
reputation and
capitalize on
opportunities in the
SFR market



Visit Our
Booth!

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Questions?