

FINANCE NEWS FROM THE DESK OF DIANA HALLAL

Need-to-know real estate finance news and information for business owners, investors, brokers, CPAs and other service professionals



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Lenders Tighten Purse Strings

While it may not be hard data, my boots-on-the-ground experience tells me there's a decided pullback on lending by banks. With continued uncertainty about the economic recovery and concerns over the direction of the commercial real estate market, financials that would have passed muster just six months ago are getting more scrutiny, and lenders are requiring greater assurances when it comes to revenue projections for owner-occupier properties and leases in place for investment transactions.

In this environment, preparation is key. Here are some of the ways you can address today's challenges:

GET AN EARLY START: Consult a loan broker early, even before you identify a property for purchase. Loan approvals are taking longer, and getting a jump start on what to expect will expedite your transaction. With our close relationships with the banking community, DH Financing can guide you through the elements that will both smooth and hinder the process, and as you know, forewarned is forearmed.

PUT YOUR DOCUMENTS IN ORDER: Review all your financial data; dot your I's and cross your T's. Missing documentation will cause delays and may impact the outcome. A loan broker can help you identify the data you will need, and anticipate when additional documentation may be requested. With some lenders anticipating declines in property values, it is also advisable to gather any documentation that would support your desired purchase such as current and historical sales comparables and local economic data.

REVIEW EXISTING LEASES: Quality of the tenancy is getting greater scrutiny. Lenders want assurances that the tenants have the wherewithal to stay and continue paying rent. If leases are set to expire soon, you may want to have renewals in place before applying for your loan.

BE REALISTIC: It may sound simplistic, but being realistic about your revenue projections and your acquisition needs is critical in this economy. Here too a loan broker can be extremely helpful playing devil's advocate and clarifying your requirements.

HOW DH FINANCING CAN HELP: Our nearly two decades of experience allows us to find the most likely lenders for each individual circumstance. We can quickly eliminate those who are not lending and identify the best options among those who are. Now, more than ever, we can expedite the process, saving you time and often making the difference between a transaction that closes and one that doesn't. **Contact us today.**

About Diana Hallal, Founder and CEO, DH Financing *Proactive, Prudent, Passionate Financing Assistance with Hands-On Service*

A seasoned finance veteran, Diana left an award-winning career that included the nation's largest banking institutions for one simple reason: She is driven to find the best solutions for her clients. DH Financing, the Beverly Hills, Calif. company Diana founded and heads, works with over 100 lenders nationally, enabling her to offer clients customized solutions based on their individual needs and situations. Diana's lending relationships provide an extensive tool box for clients, but it is her client-focused approach that delivers the stellar results she has achieved. For more information on Diana and the services DH Financing offers, please visit our website www.dhfinancing.com.

SBA RATE ALERT:

SBA rates fell to new record lows last week, lowering the blended rate for those loans to approximately 3.25%, a decline of 25 basis points. The rates apply to new loans and refi's.


25-Year.....	2.40%
20-Year.....	2.34%
10-Year.....	2.38%

LATEST BENCHMARKS *

10-Year Treasury.....	0.62%
10-Year Swap Rate,,,,,,	0.64%
10-Year Swap Spread...	0.00%
1-Month LIBOR:.....	0.18%
SOFR.....	0.12%

**Rates and benchmarks as of July 20, 2020*


20
YEARS


5K+
LOANS


\$1B+
CLOSED