



The Pulse of the Valley 2014

CORVALLIS REAL ESTATE FORUM

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Buddy the Frog



Increasing amount of regulation

Implementation of Dodd Frank

Consumer Financial Protection Bureau
(CFPB)

Push to “consumerize” business lending

Cash is the King!



What do lenders look for today?

The five C's of credit:

Capacity, **C**apital, **C**ollateral,

Character, **C**onditions

Debt Service Coverage Ratio on investment property, based on net operating income (NOI)

Loan to Value vs. Loan to Cost

Why would you have to personally guarantee?

Who's got more skin in the game?

Think about Loan to Value when you buy an investment property

Many companies that borrow have a Debt to Tangible Net Worth ratio greater than 1:1

Build a Relationship with the Lender

Strive to be a professional borrower

- Provide the information
- Be accessible to your lender
- Expect to keep financial information flowing to your lender(s)
- As you build an income property portfolio, the relationship with your lender may cease to be monogamous.