

Flip with Mortgage/Private Money Financing

Property Address:	3233 Fair Oaks Ln, Spring Valley 91945
Date	7/6/2010
Property Discription	single family rehab

INPUTS			
After Repair Value	\$385,000.00	Marginal Tax Bracket:	35%
AS-IS MLS Value	\$250,000.00	Total Square Footage	1591
Wholesale Investor Value	\$0.00	# of Units	1
Estimated Rehab Cost	\$85,000.00	Prepayment Penalties	\$0.00
Purchase Price	\$190,000.00	Selling Recording Fees	\$200.00
Estimated Hold Time (months)	5	Is the Building Occupied (Y/N)	n
First Mortgage or Private Mortgage (% PP)	100.00%		
Interest Rate On First Mortgage	10.00%		
Second Motgaga (%PP)	0.00%		
Interest Rate On Second Mortgage	0.00%		
Interest Rate On Internal Capital*	15.00%		
Financing Origination Costs**	\$0.00		
Estimated Property Taxes	\$1,200.00		

*Interest Rate On Internal Capital - has a premium over our cost of money in order to apply a weighted value to a cash heavy (or light) deal
**Financing Origination Costs - for a mortgage approximately 1% of purchase price plus \$1,000

PURCHASE ANALYSIS	
Purchase Price	\$190,000
Esrow Fees°	\$665
Financing Origination Costs	\$0
Title Insurance°°	\$975
Recording Fees°°°	\$100
Title Search	\$225
Total Purchase Price	\$191,965
First Mortgage	100.00% \$190,000
Second Mortgage	0% \$0
Down Payment	\$1,965

°Escrow Fees CA- is 4 per 1000 purchase

°°Title Insurance - \$500 plus 1/4% of purchase price

°°°Recording Fees - if mortgage origination costs = 0, then recording fees = \$100, if mortgage origination costs >0, the recording fees = \$200

REHAB ANALYSIS	
Estimated Rehab Cost	\$85,000

ESTIMATED HOLDING COST ANALYSIS	
Insurance ¹	\$1,557
Property Taxes	\$1,200
Utility Costs ¹¹	\$300
Financing Costs ¹¹¹	\$10,696
Total Holding Costs	\$13,752

¹Insurance - Occupied = \$.77/\$1,000 + \$500 - Vacant = \$6/\$1,000 + \$500

¹¹Utility Costs - are estimated at \$200/month

¹¹¹Rehab Holding Costs - are assumed to be incurred for 1/2 of the overall holding period, and are assigned the interest rate on internal capital

PROFIT ANALYSIS	
Estimated Gross Sales Price	\$ 385,000.00
Escrow Fees	\$665
Realtor Fees	3% \$11,550
Transfer Tax	0.12% \$462
Home Warranty	\$350
Recording Fees	\$100
Net Sales Price	\$371,873
Total Purchase Price	\$191,965
Estimated Rehab Costs	\$85,000
Holding Costs	\$13,752
Estimate Net Profit	\$81,156

note: assumes sale on or before

12/3/2010

Purchase Internal Capital	\$1,965
Rehab Committed Capital / 2	\$42,500
Total Committed Capital	\$44,465

note: rehab costs are divided by 2 because rehab money is paid in installments for the life of the project***

Anualized Cash on Cash Return	438.04%
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