

## Cover Letter Summary

---

It is important to include a detailed and well thought-out cover letter to your transaction because it makes it much easier for the underwriter to easily understand the transaction, and therefore issue a faster response. A cover letter is more than just saying "Need money quickly!" (no joke, that was the extent of a cover letter we had actually received). Many brokers have requested assistance in writing cover letters and in response, below is a memory jogger to the issues that, if pertinent to your deal, should be covered by your letter. As the Broker on the transaction, you will have more intimate knowledge and understanding of it than anyone else, and when you 'connect the dots' in a cover letter format, we will be able to serve you and your clients better.

### **What is Motivating the Transaction?**

- Lower Rate
- To get more money
- Existing Financing is due and payable
- Purchase

### **Cash Out Refinances**

- If it is a cash out refinance, please explain what the cash out proceeds are for.

### **Tenants In Common**

- There can be situations where some of the owners of the units may be refinancing, and others may be purchasing. Please explain. Does the seller want a sequential close? Have you included a spreadsheet of the borrowers and their qualifications?

### **Credit Issues**

- If the borrowers have late payments or derogs please explain.

### **Borrowers**

- Describe the borrowers.
- How do they make money?
- Do they have expertise in real estate investments / property management?
- Have you averaged their income from their tax returns for at least 2 years, plus a YTD Profit and Loss statement?

### **Deal Description**

- We are a "Make Sense" Lender – describe to us why we should make this loan!

### **Game Plan**

- Is this a short term or a long term hold?
- What's the game plan?
- What's the exit plan?
- How do they plan on making money with the deal?
- If it is Owner Occupied Commercial, how will our loan improve the operations and/or cash flow of the Business?
- If it is a Residential Property and the owner will live in it, how will that affect the owner's ratios?

We hope this helps you in writing a summary that is comprehensive enough so that we can easily understand the deal and **quickly** issue a response. **Please feel free to call us with any questions.**