



# Commercial Lending Bootcamp: Supercharge Your Scale

*hosted by Nick & Dr. Elaine Stageberg*

# COMMERCIAL LENDING BOOTCAMP



- Five Simple Steps to Mastering Commercial Lending
  - Understand conventional vs. commercial lending terminology
  - Learn how to get/negotiate commercial loans
  - Create your own credibility deck
  - Write your own deal pro forma
  - Learn how to use a mortgage calculator



# Who Is This For?



- Active Investors
  - This is a step by step tutorial that will save you at LEAST tens of thousands of dollars on your next deal
- Passive Investors
  - This will equip you to understand how to underwrite syndication opportunities
  - This is often the most important piece of the puzzle and the best observable indicator of deal quality
  - **Syndicators lie. Pro Formas lie. Loan term sheets don't.**



Three investors started with the same dream: Financial Freedom through real estate investing.



- The first investor bought single family homes with conventional loans. After half a dozen properties they hit borrowing limits, got stuck in endless red tape, and watched their progress slow to a crawl. They eventually gave up.
- The second investor heard it's best to “start big” and use “institutional financing”. They decided to buy a 100+ unit apartment building with HUD financing. They had to partner with ten other people just to meet the requirements for the loan and it took 9 months to close. And at the end they only owned 1% of a deal they didn't control or understand. They eventually gave up too.
- The third investor walked down the street to to a bank they knew and trusted and spoke to a commercial loan officer. They asked how they could buy and finance cashflowing real estate. And together, **they built a thriving real estate business.**

**Who Will You Be?**



# Our Gifts for You



- Recording of this webinar
- This slide deck
- Personal Financial Statement (PFS) template
- Pro forma template
- Loan request template
- Statement of Real Estate Owned (SREO) template
- Example credibility deck
- Example Term Sheet

**[blackswanteam.com/commerciallending](https://blackswanteam.com/commerciallending)**





# About Us



## **\$375M+ Assets Under Management**

- Vertically Integrated
- Asset Management Company
- Property Management Company - Black Swan Living



## **\$75M+ Capital Raised**

- Private Equity Fund - [securefreedomfund.com](https://securefreedomfund.com)



## **\$180M+ Lifetime Sales**

- Real Estate Sales Team
- Ranked in the top one third of one percent of KW Agents
- Gary Keller's personal mastermind



## **\$50M+ Ground-Up Construction**

- \$40M Townhome Community - *Complete!*
- \$11.5M Apartment Building in Progress

## **5 kids**

- Because we like everything at scale!



**You're invited!**  
**REAL ESTATE**  
*Real Life*

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**September 15, 2025: Optional VIP Day**

Use promo code **EARLYBIRD** to save \$500 on registration!

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# BLACK SWAN REAL ESTATE SECURE FREEDOM FUND

**A fixed return investment for security & cashflow**  
**GET ON THE WAITLIST:**  
**[securefreedomfund.com](https://securefreedomfund.com)**

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- *Debt makes the deal*, particularly on large deals
- For every hour you spend finding a deal, you should spend an hour finding debt
- Mastering the commercial lending process is the #1 thing that releases investors from stagnation in their scale!



**In 2024, we got \$22M of Debt in one phone call**

***How Did We Do It?***

**Commercial Lending Relationships!**

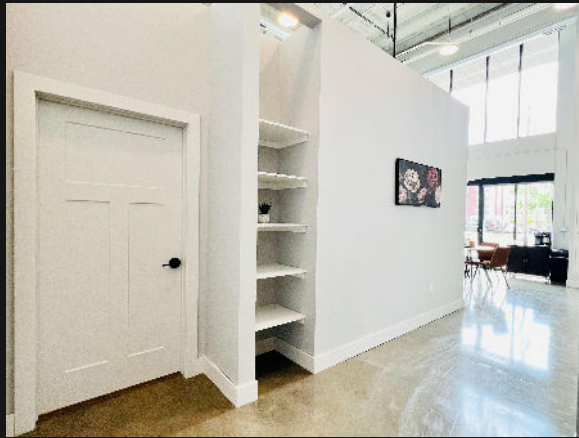


# How we got our first commercial loan!





# How we got a recent commercial loan!



# Different Types of Debt



- Conventional
  - 30 year fixed mortgage
  - Second home mortgage
  - Conventional / FHA / VA / USDA
- Portfolio
  - HELOCs
- Commercial
  - Commercial / Retail / Industrial / Manufacturing / Single family / Multifamily
- Institutional
  - Wall Street / “Bridge Debt” / HUD / Fannie Mae / Freddie Mac



# Conventional vs Commercial: Asset Types



- Conventional
  - Single family homes
  - Small multifamily up to 4 units
- Commercial
  - Single family
  - Multifamily of any size
  - Retail / Office / Industrial / Hospitality / Land / Anything
  - Equipment, vehicles, notes from the government
  - Any income producing / business asset, or the business itself





# Conventional vs Commercial: Term



- Term: how long the loan lasts before it needs to be entirely repaid
- Conventional
  - 30 years
- Commercial
  - 3-10 years, most commonly 5 years



# Conventional vs Commercial: Amortization



- Amortization: the period over which the principal payback is spread out
- Conventional
  - Amortization: 15, 20, or 30 years
  - Almost always matches the term
- Commercial
  - Amortization: 15-30 years, most commonly 25 years
  - Almost never matches the term



# Conventional vs Commercial: Rate



- Rate: Interest rate charged by the lender
- Conventional
  - Almost always 30 years fixed
  - Very difficult to negotiate rate
- Commercial
  - Variable
  - Fixed for the term
  - Fixed for a portion of the term
  - Variable and then fixed after that
  - Today the rate is lower than conventional, though that is historically unusual
  - Rate is always negotiated





# Conventional vs Commercial: Origination



- Origination: a fee paid to the bank at the beginning of the loan
- Conventional
  - Origination: 2-3%
  - Almost no closing costs are negotiable
- Commercial
  - 1% baseline
  - Gets lower as loan size increases
  - Can be almost zero
  - Can also negotiate on everything on the settlement statement including documentation fees, and even title insurance!



# Conventional vs Commercial: LTV



- Loan to Value (LTV): If you buy a property for \$100k and get an \$80k loan, that is 80% LTV. You want as high as possible.
- Loan to Cost (LTC): If you buy a property for \$50k, do a \$50k rehab, and get a loan for \$80k, that is 80% LTC. You want as high as possible.
- Conventional
  - 75-80% max LTV
  - NO funding for rehab, LTC is not a concept
- Commercial
  - Up to 85% LTV
  - Up to 90% LTC
  - Ways to boost LTV / LTC close to 100%
  - DSCR constrained



# Conventional vs Commercial: Appraisal



- Appraisal: a third-party assessment of the value of the property completed by a professional appraiser; the bank is the customer
- Conventional
  - Almost always requires a third-party appraisal unless the loan is very low LTV
- Commercial
  - Full appraisal
  - Drive by appraisal
  - Desktop appraisal
  - Comparative Market Analysis (CMA)
  - Broker Price Opinion (BPO)
  - Internal bank evaluation (no appraiser involved)
  - In some cases no formal estimation of value whatsoever





# Conventional vs Commercial: Creative Options



- Conventional
  - Seller Carry, Contract For Deed, Loan Assumption, etc. are all generally prohibited
- Commercial
  - Anything is possible!



# Conventional vs Commercial: Scaling



- Conventional
  - Each additional loan gets harder
- Commercial
  - *Each additional loan gets easier*



# Conventional vs Commercial: Underwriting



- Conventional
  - Easy to start, hard to finish
  - Algorithmic
  - Impersonal
  - Unintelligent
  - Slow
  - Infuriating
- Commercial
  - Hard to start, easy to finish
  - Flexible
  - Relationship-driven
  - Logical
  - Fast
  - Helpful, insightful, sometimes even fun!



# Conventional vs Commercial: Recourse



- Conventional
  - Always full recourse
  - Non-negotiable
- Commercial
  - Bank always wants full recourse, but doesn't have to be
  - Partial recourse
  - Recourse for only some parties
  - Recourse for business entity only
  - Non-recourse
  - Highly negotiable





# Conventional vs Commercial: Cross Shopping



- Conventional
  - Almost all lenders will offer almost identical terms
  - Just find one you like and move on
- Commercial
  - Almost all lenders will offer different terms
  - Need to aggressively cross shop
  - Terms change at every bank every day so you can never stop shopping around



# Commercial Lending Process



- You solicit at least three term sheets from at least half a dozen banks
- You negotiate the best term sheet
- Loan officer (the good cop) submits your “file” to the credit analyst (the bad cop) for underwriting
- Loan is presented to loan committee for approval
- Loan is (maybe) submitted to bank board for approval
  - Terms often change and get worse
- Appraisal is received, reviewed, and final approval obtained
  - Terms often change and get worse
- Closing!
- Entire process can take as little as 45 days!
  - Some of our loans have taken less than 10 days



# How to Find a Bank



- Get a referral
- Who do you do depository business with?
- Make a list of your top five favorite local banks
- The smaller the better
- Physically close to the subject property
- Make some calls and schedule lunch!



# What to Bring to Your “First Date”



- Personal Financial Statement (“PFS”)
- Professional resume
- Real Estate Resume / Schedule of Real Estate Owned (SREO)
- 3 years tax returns
- Credibility deck





# How Do Bankers Think?



- Slowly—Don't rush into marriage
- They are the OPPOSITE of an entrepreneur
- High SC on a DISC profile
- Loan officer is compensated / commissioned to sell you a loan
- “The only way to lose your job at a bank is to sell a loan that goes bad”
- They will do their homework on you
- They consider physicians to be the most bankable profession
- Very few people know about these loans, they are never advertised, and they are excited to sell them



# Why Doesn't a Commercial Bank Want to Lend To Me?

- They probably just don't want to lend to you TODAY. Tomorrow is a different day.
- Banks can't have too much debt total
- Banks can't have too much debt in a certain asset class
- Banks can't have too much debt with a specific person
- Banks can't have too much debt with a specific deal
- You are too big OR too small
- You don't have enough of a track record yet
- They don't want to lend to an out of town investor



# More Than One Bank Wants to Lend to Me!

- Create a single round bidding war for highest and best
- Preserving the long-term relationship is your #1 priority
- Always have a backup plan



# What About Fannie / Freddie / HUD?



- Not for beginners—Usually do 10+ commercial loans before doing one of these
- Multifamily only
- Very high minimum requirements for net worth, liquidity, experience
- The larger the asset, the better they get
  - Minimum \$6M loan size to be competitive with a regional bank
  - Once you have a \$20M+ loan on an apartment building, this is almost always your best option
- The more stable the asset the better they get
- Non-recourse
- No lending limit





# Loan Brokers



- Like a real estate agent, but for loans
- Extremely powerful tool on your toolbox, and you should absolutely work with them
- Just like a RE agent, incentives aren't necessarily aligned
- Manage exclusivity carefully
- Limits creativity
- Limits number of lenders you are exposed to
- Dilutes your relationship with the lender
- Expensive



# Build a Credibility Deck



- Who you are
- Your background and experience
- How 'safe' you are as a borrower
- Your business plan and why it is safe
- Why your location is so safe
- Your track record executing that business plan
- Your plan A / B / C
- Avoid discussing risk
- Avoid discussing growth



# Put Together a Simple Pro Forma




	Seller Financials At closing with re Notes		One Year Later	Notes
			\$207,900.00	11x 1 bed units @ \$1575/month
			\$378,000.00	18x 2 bed units @ \$1750/month
			\$55,800.00	31x garage units @ \$150/month
			\$0.00	Assuming ZERO income for surfa
			\$7,200.00	12x pets @ \$50/month
			\$26,100.00	29x Utility Fees @ \$75/month
			\$19,140.00	29x Internet fee @ \$55/month
	\$605,760.00	Current rent roll	\$14,500.00	\$500/unit/year misc income, aver
	\$14,500.00		\$708,640.00	
Gross Potential Rent	\$620,260.00			
Vacancy	\$0.00	guarantee period	\$35,432.00	5%
Net Income	\$496,690.00	\$620,260.00	\$673,208.00	
Taxes	\$90,156.00	\$82,467.00	\$82,467.00	From assessor data. Tax assess
Insurance	\$8,928.00	\$8,317.00	\$8,317.00	quote from agent
R & M, Cleaning	\$42,172.00	\$35,000.00	\$35,000.00	From financials on our other build
Trash	\$7,377.00	\$6,000.00	\$6,000.00	Switch to our LRS bulk contract
Gas	\$4,601.00	\$4,601.00	\$4,601.00	From seller financials
Electric	\$14,023.00	\$14,023.00	\$14,023.00	From seller financials
Lawn + Snow	\$11,311.00	\$5,000.00	\$5,000.00	Move from vended to in-house, si
Alarm Monitoring	\$937.00	\$937.00	\$937.00	From seller financials
Elevator	\$1,920.00	\$1,920.00	\$1,920.00	From seller financials
Internet	\$5,555.00	\$5,555.00	\$12,180.00	Switch to our metronet bulk contr
Telephone	\$989.00	\$989.00	\$989.00	From seller financials
Water/Sewer	\$6,690.00	\$6,690.00	\$6,690.00	From seller financials
Cable	\$1,083.00	\$0.00	\$0.00	discontinue cable expense
Payroll	\$32,545.00			
Admin	\$44,670.00			
Management		\$62,026.00	\$67,320.80	10% total instead of payroll + adm
Total Expenses	\$272,957.00	\$233,525.00	\$245,444.80	
NOI	\$223,733.00	\$386,735.00	\$427,763.20	



# How to Ask a Bank For a Loan Proposal



**Nick Stageberg** <nick@blackswanteam.com>  
to Chris, bcc: Elaine ▾

Hello Chris!

Please confirm receipt of this email and let me know when you might be able to get a proposal to me. I look forward to reviewing it!

I am reaching out to a few lenders to find the best fit for a property we just got under contract, Uptown Apartments.

I'm boarding a plane at 3pm eastern time today, and then have a layover a short time after that, so feel free to give me a call, I'd love to chat about the deal.


For your convenience, I have attached the seller rent roll, financials, costar summary report, purchase agreement, and our pro forma. I also recorded a brief loom video walking through the deal and our pro forma here:

<https://www.loom.com/share/5e70f990239e42e6aa18c55ac845cf0b?sid=5f992e32-0f4c-4799-abaa-d2556740ac0f>


An ideal loan for us would be:



- 30 year amortization with some kind of initial interest-only period as we take over and stabilize the building
- 75-80% LTV
- Minimizing interest rate
- Minimizing prepayment penalties
- Minimizing origination charges
- 3-5 year loan term. I expect we will refinance the building sometime in the next few years as rates come down and we improve the performance of the building.
- I'm open to a fixed rate or variable rate loan, whatever you think might give us the best overall terms

[Schedule a call or connect with me](#)

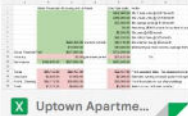



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 Licensed Real Estate Agent MLS # 40547171


5 Attachments • Scanned by Gmail ⓘ

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 Uptown Apartme...





# What Does a Term Sheet Look Like?



<b>Borrower:</b>	Residence at Discovery Square Apartments or other LLC to be determined.
<b>Loan Amount:</b>	Up to a \$22,000,000 loan amount and limited to 80% of appraised value of the subject property as determined by an appraisal approved by the Lender.
<b>Use of Funds:</b>	Refinance RDS Apartment Building in Downtown Rochester MN.
<b>Initial Loan Term:</b>	36 to 60 months
<b>Amortization:</b>	25 year P&I amortization schedule (We may consider up to a 30 year schedule)
<b>Origination Fee:</b>	\$66,000.00 (30bp)
<b>Initial Loan Term Interest Rate:</b>	<p><u><b>Option 1:</b></u> Variable at Prime - 0.90%, payment monthly, actual days/360. <b>The Initial Interest Rate will have a floor rate of 6.10%, and a ceiling rate of 9.00%.</b> As of 8/14/2024 the Prime Rate – 0.90% would have been 7.60%.</p> <p><u><b>Option 2:</b></u> Fixed rate option. During the Loan Term the interest rate will be variable based on the CME one-month term SOFR index + 2.70%. At closing, the Borrower will enter into a separate 3-year or 5-year interest rate swap agreement to fix the interest rate for the 3-year or 5-year Loan Term with Lender. As of August 14, 2024 the all-in fixed swap rate would be <b>6.52%</b> on the 3 - year and <b>6.37%</b> on the 5-year. Actual rate will be set at closing.</p> <p>A fixed interest rate forward swap option would be available upon request.</p>

<b>Guarantors:</b>	Guaranty by Black Swan Real Estate Fund I & II, The Trust, and Nick & Elaine Stageberg.
<b>Collateral:</b>	A first mortgage, security agreement, fixture financing statement and assignment of leases and rents on the RDS Apartments located in Rochester, MN, assignment of all relevant licenses, all related improvements, additions, equipment, and all other customary assignments.
<b>Appraisal:</b>	The Lender will commission a third-party appraisal on the Collateral as a condition of loan approval; such appraisal shall be subject to Lender's review and approval. The Borrower will pay the cost of the appraisal.
<b>Loan-to-Value:</b>	Shall not exceed 80% of the aggregate appraised value of the collateral (excluding value attributable to the business enterprise) pursuant to an independent appraisal acceptable to the Lender.
<b>Prepayment Fee:</b>	A declining prepayment penalty over three years (3%, 2%, 1%). Only if refinanced outside of Bremer Bank. (If Swap product is chosen no prepayment fee will apply)
<b>Deposit Requirements:</b>	At or before closing we would require a new deposit account at Bremer Bank with funds deposited of \$5.0 to \$7.0 Million.
<b>Reporting Requirements:</b>	<ul style="list-style-type: none"><li>- Annual Financial Statements for the Borrower, including Income Statements, Balance Sheets, and Rent Roll.</li><li>- Annual Tax Returns for the Borrower and Guarantors.</li><li>- Annual Financial Statements for the Guarantors; including a global portfolio summary, contingent liabilities, and upon request verification of liquidity.</li></ul>
<b>Financial Covenants:</b>	<ul style="list-style-type: none"><li>- The Borrower will maintain a minimum DCR of 1.20x, prior to distributions, measured annually on each 12/31, beginning 12/31/2025.</li><li>- The Borrower will maintain a minimum DCR of 1.05x, after distributions, measured annually on each 12/31, beginning 12/31/2025.</li><li>- Operating account (or comparable deposits) for the subject property to be held at Bremer Bank.</li></ul>



# Immediate Action Items



- Reach out to people who can refer you to lenders
- Reach out to banks
- Build a credibility deck
- Build a PFS
- Build a pro forma
- Meet with at LEAST half a dozen bankers
- Put together an example loan proposal request



# But I Don't Have a Deal!



- You must practice before you play
- Do you think you are more or less likely to close on a deal if you have debt lined up?
- You may even find a deal while you are looking for the debt!
- The banker may even find you a deal!
- Most people think bankers are scary. They are more scared of you than you are of them.
- Most people see the bank as their opponent. Your lender is your ***most valuable underwriting partner***. If they don't like the deal, why should you?



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