



Press Release Contact Information:

Michael Weiner
PreConstruction Catalysts, Inc
President/CEO
18156 Darnell Drive
Olney, MD
USA, 20832
Voice: 301-570-9100
Fax: 240363-0062
E-Mail: [Email us Here](#)
Website: [Visit Our Website](#)

New Funding Resource- CD/Bond Program for 100 Million+ Projects in Real Estate

Also known as the no-interest structured collateral program.

Borrower pays back 40-50% of originally requested loan amount.

/24-7PressRelease/ - OLNEY, MD, January 22, 2008 - NEW Commercial Loan Program (as of 1/18/08)

CD Program \$100MM +

Also known as the no-interest structured collateral program.

Borrower pays back 40-50% of originally requested loan amount.

Requirements to submit:

1. \$20k to be held in borrower's escrow until LOI is issued by the hedge fund and fund is named. *This money is at no risk and completely refundable at all times.
2. Signed lender Application
3. Executive Summary
4. Business Plan
5. Signed fee agreement between borrower and Lender/processing Company. This agreement is separate from that of the one arranged between brokers/consultants and the borrower.

*This money is only forfeited if the borrower decides they no longer want to proceed after they have agreed in writing to the terms of the LOI.

Note: all requests for funds must match (Lender Application, Executive Summary and Business Plan).

How it Works:

1. Borrower makes and original request for funds of \$100MM before cost of financing (no interest reserve, points, processing fees, etc.).
2. Broker/Consultant adds 20% to that requested amount to cover all hedge fund fees, lender fees and broker points (this is over-kill but safe when it comes to making sure everyone involved is adequately compensated). New request for funds is \$120MM.
This is the request amount in all submitted documentation (Executive Summary, Application, and Business Plan; Pro-formas show this number. Be sure the \$20MM is listed as finance carrying costs, consultant fees, attorney fees, miscellaneous costs).
3. Once all documents are submitted to the program facilitator, they are reviewed for accuracy then they are sent through a processing company who again reviews and pre-underwrites.
The file is submitted through Lender to the appropriate hedge fund. If an LOI is to be sent it is done in roughly 10 business days. Turndowns take place much quicker.
4. Once the hedge fund issues a LOI they will call the program facilitator to make sure all fee agreements are in place. Once that has been confirmed, the LOI is issued to the borrower. The LOI names the particular fund that intends to fund the project, along with anticipated closing date, rate, terms and fees.
5. The borrower is now responsible for doing their due diligence on the funding entity.
6. Once the borrower agrees to terms they sign the LOI and it along with the escrowed funds (still refundable at this point)

are sent to the fund. The fund then holds that money in their escrow.

7. The loan will fund between 30 and 90 days depending on the amount of due diligence required. If for some reason the fund changes their mind about the project because they found out someone has lied or there is something high-risk that they initially missed, they will still refund the escrowed monies.

How the financing works: There is no principal payback!

Example:

Loan Request: \$100MM (again, before any financing costs are in place)

New Request: \$120MM

Rate: 7.75%

Term: 5 years IO

The bond structured financing causes the principal amount to liquidate so there is nothing owed in that regard.

Total payback: $120\text{MM} \times .0775 = 9.3\text{MM} \times 5\text{yrs} = \$46,500,000$ which in this case is 46.5% of original requested loan amount.

Fee structure:

When we added the 20% to the requested loan amount we put in place the money needed to cover all costs to the fund, lender, processing company and all involved brokers/consultants.

About PreConstruction Catalysts

PreConstruction Catalysts brings great projects together with great funding resources for real estate developments and projects that make good business sense. PCC starts at 100 Million projects and goes to whatever amount of funding is needed. PCC is a Funding Facilitator that adds value to your team to bring your financing needs to the table. Joint Venture, Private Equity, Hedge Fund, Specialized humanitarian and environmental projects, REO's, Commodities.