

Executive Loan Summary

XYZ Custom Homes

Loan Request:

Type of Loan:	First Mortgage/Refinance
Amount Requested:	\$12, 800,000
Value of Collateral:	\$20, 000,000
Loan-to-Value Ratio:	64%
Debt Coverage Ratio:	n/a
Desired Rate & Term:	4.99%, 5-year fixed, 25-year amortization

Use of Funds:

The funds will be used to payout the existing BMO secured line of credit for \$8 million dollars. The client is requesting a revolving line of credit for the unused portion (\$4,800,000 HELOC) to be used as needed by XYZ Custom Homes.

Property Details:

Residential, single-family detached home is located at 1234 Park Place Avenue, Boardwalk, ON, in the desirable luxury gated community of Erindale. Appraisal was done by Walker & Walker on Oct 31st, 2018. Appraised value of \$20,000,000.

Borrower Details:

Mr. Auston Matthews will refinance under holding company named as XYZ Custom Homes Ltd. Excellent beacon score (825) with low credit utilization.

Background & Experience:

XYZ Custom Homes Ltd., designs and builds ultra-luxury lifestyle homes for elite clients worldwide. XYZ Custom homes has been established for over 20-years and has won numerous awards for design and architecture. Annual gross earnings for the company exceed \$27 million and revenue continues to trend upward. From 2015 to 2016 revenue increased by 25% and in 2016 to 2017, revenue increased by 70%

Income & Expenses:

\$1,711,106 total average annual income. Income is a combination of dividend income from XYZ Custom Homes Ltd., and employment income from XYZ Custom Homes Ltd. Average tax rate of 25%. Total average monthly income after taxes is \$106,944.13.

Cash-Flow Analysis

Net Income	\$106,944.13
Total Monthly Income	<u>\$106,944.13</u>

Monthly Expenses

Mortgage Payment (P&I)	\$74,372.59
Property Taxes	\$4,983.43
Heating	\$1,158.22
Total Monthly Expense	<u>\$80,514.24</u>

Total Monthly Cash-Flow	\$26,429.89
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Net Worth:

Principal Residence:	\$20,000,000
Investments/RSP:	\$ 6,500,000
Life Insurance Policy:	\$ 2,900,000
Current Mortgage:	<u>\$ 8,000,000</u>
Total Net Worth:	\$21,400,000

Summary:

We are competing with BMO Bank of Montreal, therefore, our fees and pricing will have to be aggressive. XYZ Custom Homes Ltd., has been established for over 20-years and has a proven track-record of profitability and success. Based upon the clients' positive cash-flow after debt servicing (\$26,000+/month) and an overall net-worth of \$21,400,000, we highly recommend this client for your approval. Note: even with a market turndown of 30%, clients overall net-worth (\$14,980,000) will still be more than sufficient to cover your position.

Thank-you in advance for your consideration, we look forward to hearing from you.