

CASE STUDY

Non-Traditional Financial Source Saves Entrepreneur's Home

How Platinum Group helps find lenders to fit unusual situationslowa feed mill navigate a strategy into a new future

SITUATION

A 70-year-old attorney turned entrepreneur had used his home as collateral for a loan to develop a new product, as well as help people who had been hurt on the job. Based on a long career of suing large companies on behalf of injured workers, the attorney spent four years developing a unique disability insurance product that could be sold to specific unions.

The new disability policy was underwritten by a large insurance company. The attorney was set to receive a substantial monthly commission when his mortgage lender decided to call the loan. With no money in the bank, his home was put into foreclosure and two weeks away from the Sheriff's sale. An attorney friend recommended that he contact Platinum Group for finding a nontraditional financial source to fit this unusual situation in a hurry.

CHALLENGES

- The attorney's financial situation was exacerbated by using his own money to finance substantial case cost for workers who were hurt and awaiting their legal settlements.
- The original mortgage lender took its time to determine whether or not to refinance the attorney's home. The new finances were needed before the Sheriff's certificate was issued.
- The refinance did not meet the criteria for traditional lending sources.

RESPONSE

Platinum looked at a number of options for nontraditional financing to fit this situation and found a limited partnership interested in this entrepreneurial opportunity. Once a lender was found, the next step was to gain an appraisal and find a title insurance company to insure the property. A specific escrow was created and funded by the borrower to pay for the cost of foreclosure, when and if that were to become necessary. All documentation had to be drafted, as this was not a typical mortgage re-finance.

RESULTS – The loan was closed and funds dispersed within 14 days of the attorney's letter of agreement with Platinum. The attorney was able to re-finance a \$1.3 million mortgage (at 12 percent interest) prior to the Sheriff's sale and save his home. His creditworthiness is getting re-established as he makes payments.

Platinum helped this entrepreneur who did not fit the mold for traditional financing and found a solution in a short period of time.

