

Stated Income / Stated Asset Underwriting Program for Gas Stations / C-stores

- Real estate transactions ONLY
- Up to **90%** LTV!
- Minimum loan \$500,000, up to \$10,000,000
- Can accommodate large seller held seconds
- Borrowed equity
- Environmentally challenged sites
- Gifts of equity
- No IRS form 4506
- Underperforming sites
- Locations with no financials
- Underperforming sites
- Citizenship/permanent resident alien status not required
- Multiple rate/term financing options available
- **FAST** approvals / **FAST** closings!

The newer version of the stated income program is a significant improvement over the prior program. Stated Income/Stated Asset programs have traditionally been for transactions where there are no financials for a property or the site is underperforming either due to the underreporting of income or the poor performance of a site. Lenders tend to lump underperforming sites with sites that have no financials. The few Stated Income programs that have been available have limited loan to value on a site to approximately 60 - 65%, which was further watered down by not giving full credit to machinery and equipment and almost no value to the good will of a business. All gas stations and convenience stores will have a significant amount of machinery and equipment and any performing site will have good will associated with it. This would reduce the loan amount to 50 - 55% LTV, although large seller held seconds might be allowed. In purchase situations where oil companies, fuel suppliers (jobbers) or investors would be the seller, there would be no financials available other than perhaps fuel gallonage and occasionally revenues with no expenses even though they might be performing sites. The probability of having a large seller held second or any seller held second in these situations is minimal to nil. This situation made the Stated Income program inequitable for performing sites.

The new version of the Stated Income program will allow a much larger loan and is more equitable for both borrower and lender. One requirement of the program is that the borrower have three years industry experience. If the borrower does not have direct industry experience, they can either take on someone in a minority ownership role that does, bring on or retain an existing manager with a contractual management agreement, retain the seller (if a purchase) in a small ownership role, usually less than 20%, and/or attend petroleum school in combination with the above mentioned options