



REAL ESTATE INTELLIGENCE - CAPITAL INVESTOR

369 Valley Forge Road

West Palm Beach, FL 33405 - 2BR / 2BA + Pool - Built 1950 - South End (SoSo)

SECURE IF LENT ON VALUE, NOT ON ASK - Conservative Basis Protects Principal

35%

Equity Cushion

PROTECTED

Executive Read

For an investor funding this loan, the question is downside protection and yield - not upside. Lent against a conservative collateral value (~\$1.1M, not the inflated \$1.59M ask), the position sits behind ~35% borrower equity, with a ~10% illustrative yield to capital.

1 The Loan (illustrative)

Term	Value
Collateral value basis (comps)	~\$1,100,000
Loan amount (65% LTV on value)	~\$715,000
Program	Business-purpose bridge (Deal Sizer N)
Yield to capital (assumption)	~10%
Term (assumption)	12-24 months

2 Security & Downside Protection

Protection	Value
Lien position	1st lien
LTV on conservative value	~65%
Borrower equity cushion	~\$385,000 (35%)
Value decline absorbed before principal at risk	~35%

The borrower's equity sits ahead of the loan. Collateral value would have to fall ~35% before loan principal is exposed - a wide margin in a market down only ~4% year over year.

3 The Watch-Item

Size on VALUE, not the ASK

Lent at 65% of the \$1,590,000 ASK (\$1.03M), the loan would be ~94% of real collateral value - dangerously thin. The downside protection exists ONLY because the basis is the comp-supported value, not the list price. World's Fair Capital's deal-sizing enforces this discipline on every loan in the fund.

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