

FINANCING

	Answer These Questions		
STEP 1	How is the flip financed?	Select here =	Private Lenders/Others/Partial Cash
	Desired profit before taxes	Enter \$ here =	\$ 25,000
	When selling, are you going to list house on our own?	Select here =	No
	Number of months rehab is going to take?	Select here =	8
	Expected months on market after listing?	Select here =	2
	After Repair Value (ARV)/Selling price	Enter \$ here =	\$ 150,000
	Offer price	Enter \$ here =	\$ 40,000
	Rehab Estimate	Enter \$ here =	\$ 65,000
	Worst case: Rehab over budget by	Enter overbudget % =	20% \$ 78,000
	Worst case: Lower selling price if market changes	Enter \$ here =	\$ 115,000
	Select your 2018 marginal tax rate	Select here =	25%
	2018 Self Employment Tax Rate	Select here =	15.3%
	Are you running the flip activity via S-corp?	Select here =	No

IGNORE AS NO HARD MONEY LENDER				
STEP 2	Lender does Loan to Cost (LTC) or Loan to Value (LTV)?	Select here =	LTV	
	Lenders: Loan to Value (LTV)	Select here =	80%	
	Interest rate	Enter % here	13.00%	
	Adjustment to loan amount, if any	Enter \$ here	\$ -	
	Loan Amount		130	
	Interest per month		1	
	Cash Needed at Closing for Loan Approval			
	Lenders fee (Points)	Enter % here	2%	1
	Other fees (Flood, credit report, and others)	Enter \$ here	\$ -	-
	Other fees 1	Enter \$ here	\$ -	-
Loan Closing Cost	Enter \$ here	\$ -	-	
Personal cash required for purchase and repair		1	1	
Months of interest reserve required by lender		0	-	
Other reserve required by the lender	Enter \$ here	\$ -	-	
	Total		138	

Private Lenders				
		Loan amount	Interest rate	Monthly Interest
STEP 2	Private lender 1	\$ 80,000	10%	\$ 667
	Private lender 2	\$ 80,000	10%	\$ 667
	Private lender 3	\$ -	10%	\$ -
	Private lender 4	\$ -	10%	\$ -
	Private lender 5	\$ -	0%	\$ -
	Private lender 6	\$ -	0%	\$ -
	Private lender 7	\$ -	0%	\$ -
	Private lender 8	\$ -	0%	\$ -
	Credit Cards	\$ -	0%	\$ -
	Balance Transfer	\$ -	0%	\$ -
	Total	\$ 160,000		\$ 1,333
	Any other fees required by private lenders?	Enter \$ here =	\$ 500	
	Personal cash for the purchase and repair		\$ -	
	Total personal Cash need upfront to close the deal		\$ 500	

FLIP WENT AS EXPECTED

Step 3: Profit Analysis

Cost added to the basis of the property		
Purchase Price		\$ 40,000
Rehab Estimate		\$ 65,000
Holding Interest Cost		\$ 13,333
Property taxes during ownership	Enter here yearly amount =	1,562 \$ 1,302
Utilities during rehab and on market		\$ 1,000
Personal cost spend on the flips to the basis (e.g. Travel- Plane Ticket)		\$ 200
Appraisal		\$ 700
Closing cost with wholesaler if not already included in purchase price		\$ -
Builder risk insurance		\$ 800
Bank money lender drawing total inspection fee		\$ 750
Permits		\$ 1,000
Other cost		
Total		\$ 124,085

Selling Expenses		
Commission on selling	Enter here commission % =	6% \$ 9,000
Advertising expenses		300
Other selling expenses from the closing statement if any		
Other selling expenses		
Total		\$ 9,300

Profit before approximate Taxes		
Selling price		\$ 150,000
Selling expense		\$ 9,300
Net cash after selling		\$ 140,700
Basis of the house		\$ 124,085
Net profit before taxes		\$ 16,615

Profit after approximate Taxes		
20% Qualified Income Deduction		\$ 3,323
2018 Self Employment Taxes	15.30%	2,542
2018 Ordinary Income Tax		\$ 3,005
Other taxes		
Net profit after taxes		\$ 11,068

Total personal cash Invested in the whole deal		
Cash paid to lender		\$ -
Interest paid		\$ 13,333
Other cost incurred for the flip		\$ 5,752
Personal cash invested		\$ 500
Other personal cash invested		
Total		\$ 19,585

Part of a cost covered by the HML loan amount after repair and purchase

Part of a cost covered by the private loan amount after repair and purchase

Total personal cash reserve needed to finish the project

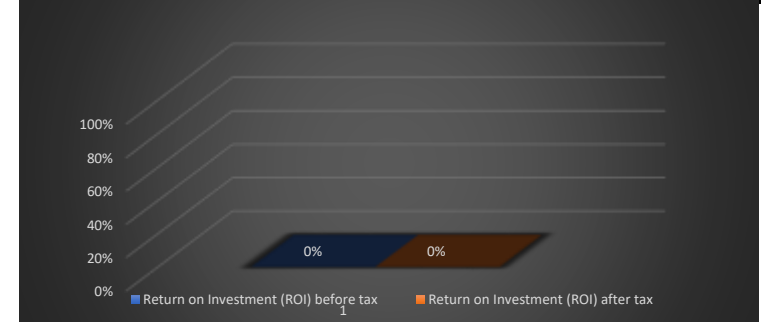
Analysis as planned

Meets the "70% of ARV less rehab flip" rule?	No, offer is higher by \$0
Cash Required for Loan approval	\$ -

PROFIT	
Profit before taxes	\$ 16,615
Profit after taxes	\$ 11,068



RETURN ON INVESTMENT	
Return on Investment (ROI) before tax	More than 100% as no personal cash used
Return on Investment (ROI) after tax	More than 100% as no personal cash used



\$	55,000
Your loan proceeds covers all the holding cost for the rehab	

Analysis if rehab is overbudget by \$13000

Revised basis with overbudget rehab	
New Rehab Estimate	\$ 78,000
New basis Total	137,085

Profit before approximate Taxes	
Selling Price	\$ 150,000
New Basis of the house	\$ 137,085
Selling Expense	\$ 9,300
Net profit before tax	\$ 3,615

Profit after approximate Taxes	
20% Qualified Income Deduction	\$ 723
2018 Self Employment Taxes	15.30% 553
2018 Ordinary Income Tax	654
Other taxes	
Net profit after tax	\$ 2,408

Total Cash Invested if rehab over budget	\$ 32,585
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Part of a cost covered by the HML loan amount after repair and purchase	\$
Part of a cost covered by the Private loan amount after repair and purchase	\$ 42,000
Total personal cash reserve needed to finish the project	Your loan proceeds covers all the holding cost for the rehab

Overview

Meets the "70% of ARV less rehab flip" rule?	No, offer is higher by \$13000
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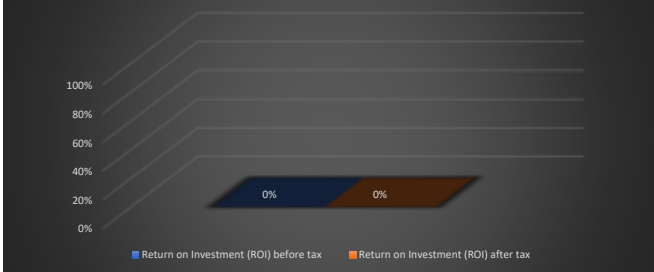
PROFIT

Profit before taxes	\$ 3,615
Profit after taxes	\$ 2,408



RETURN ON INVESTMENT

Return on Investment (ROI) before tax	More than 100% as no personal cash used
Return on Investment (ROI) after tax	More than 100% as no personal cash used



Analysis if selling price decreases by \$-35000

New selling price	
New selling price	\$ 115,000

Profit before approximate Taxes	
New selling price	\$ 115,000
Basis of the house	\$ 124,085
New selling Expense	\$ 7,200
Net profit before tax	\$ (16,285)

Profit after approximate Taxes	
20% Qualified Income Deduction	\$ (3,257)
2018 Self Employment Taxes	15.30% (2,492)
2018 Ordinary Income Tax	(2,946)
Other taxes	
Net profit after tax	\$ (10,848)

Total Cash Invested if selling price is lower	\$ 19,585
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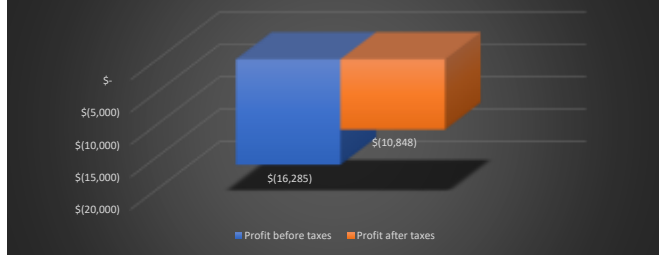
Part of a cost covered by the HML loan amount after repair and purchase	\$
Part of a cost covered by the Private loan amount after repair and purchase	\$ 55,000
Total personal cash reserve needed to finish the project	Your loan proceeds covers all the holding cost for the rehab

Overview

Meets the "70% of ARV less rehab flip" rule?	No, offer is higher by \$24500
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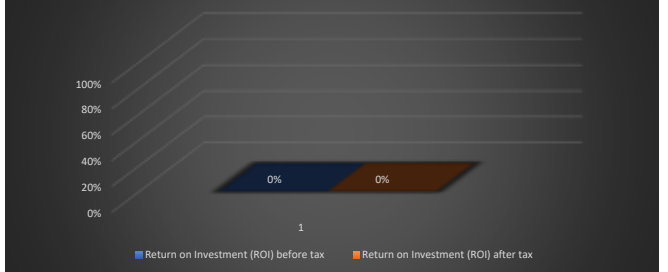
PROFIT

Profit before taxes	\$ (16,285)
Profit after taxes	\$ (10,848)



RETURN ON INVESTMENT

Return on Investment (ROI) before tax	You have a Loss
Return on Investment (ROI) after tax	You have a Loss



How to use
 Yellow highlighted cells are manual inputs
 Blue highlighted cells are automatically calculated

SUMMARY

Offer Price for the desired profit	
Desired profit before taxes	\$ 25,000
Your offer right now	\$ 40,000
Offer price needed for the desired profit	\$ 31,615
Decrease your offer price by	\$ 8,385

Overview of the before-tax profit	
Profit (without worse case)	\$ 16,615
Worse case: Profit if rehab is overbudget by 20%	\$ 3,615
Worse case: Profit if selling price lower by \$35000	\$ (16,285)

Overview of the before-tax ROI	
ROI as expected	More than 100% as no personal cash used
Worse case: ROI if rehab is overbudget by 20%	More than 100% as no personal cash used
Worse case: ROI if selling price lower by \$35000	You have a Loss

