



HedgeLoan[®] for Real Estate Applications

HedgeLender LLC offers direct, securities-backed loans as solutions for high-net-worth borrowers when they are looking for investment capital. As it becomes increasingly more difficult to do cash-out refinancing and purchases for these clients and stated Jumbo and Super Jumbo loans become harder to find, we have what we call the Intelligent Alternative: HedgeLoan[®].

So just what is the “intelligent alternative”?

It boils down to a means, using our nonrecourse loan, to retain an interest in the potential future growth and appreciation of your portfolio while using your loan cash for real estate investments.

Let's look at an example. Tom Smith wanted to purchase a new luxury home. He needed cash for a down payment, had stocks and other securities in his portfolio. He was thinking of selling some of them outright for the cash, but he felt that they were way undervalued, and could only go up. Some of them were priced at even less than what he had paid for them and he understandably hated the idea of a conventional sale of his securities at their current low prices. His stock position was now worth \$600,000; the house he coveted was priced at \$2 million and he needed at least \$400,000 for the financing he desired.

Here's how HedgeLoan came to the rescue. Tom received 85% of the value of the market value of the stock on a limited recourse basis that allowed him the freedom to default, forfeiting his stocks as complete repayment of the loan obligation if it came to that and owing nothing more. This meant that lender could go after no other assets no matter how much the collateral was worth, and in default he'd have no negative credit reporting of any kind. However if his favorite stock rose in price - if it appreciated and grew in value during the loan term - that appreciation was his. He could even use some of it to pay off any outstanding interest, even all of the interest and principal, simply by asking lender to liquidate some shares at loan maturity.

In short, he had the best of both worlds. Tom could stay “in and out of the market” at the same time, covered on both ends, while locking in today's stock value with HedgeLoan cash before the shares fell any further. For Tom, his loan represented the perfect alternative to passing up a great bargain-priced home on the one hand, or losing all rights to the future appreciation of his stocks on the other, a real win-win.



HEDGELENDER

Securities Finance Solutions

THE HEDGELENDER ADVANTAGE
IS THE ABILITY TO
FINANCE YOUR DREAM HOME