



# Gryphon Financial

**TRUSTED** NATIONAL PRIVATE LENDER





## What is Private Lending

Loan Funds are provided by an individual or by individuals investing in a managed fund

A company normally manages this process and presents reviewed opportunities to its investors

The investors then approve the funds and the transaction settles

# Why Use Private Lending?

The market in Australia for Private Lending is growing annually.

As the Banks and Non Banks tighten their policies, borrowers on the margins have no where to go.



# Private Lending Says **Yes** When The Banks Says No.

As the economy has suffered in the past years and continues to suffer there are many casualties. Borrowers in trouble have no where to go.

Banks and Non Banks have no empathy for borrowers changing situations any more.

So borrowers that have no where to go, have now.

**PRIVATE LENDING**



Business leaders warn against tighter lending standards in wake of banking royal commission  
Reporter Nassim Khadem

## Banks: The Squeeze Is On

Australia | Jul 01 2019



Are The banks Still Lending?

PKF Australia

Increase in private lending as banks tighten

by Rebecca Pike

19 Jan 2019



AustralianBroker

Lenders Continue To Reduce The Risks In Their Mortgage Books

June 21, 2019



Mortgage debt ratio hits equal all-time high as Australian house values continue to fall

theguardian

# BANK LENDING REDUCED DRAMATICALLY



Bank Lending to Business, fixed loans for purchase of real property: YOY change  
June 2018 - May 2019 Source RBA  
2020 Reduction Due To Covid-19



*Purchase  
Refinance  
Land Bank  
Construction Top Ups  
Debt consolidation*

## PRIVATE LENDING SOLUTIONS

Private Lending is very diverse the types of loans considered are many, all of which need property as security.

# Borrowers

Most Private Loans are Non-Regulated.

The borrower is a Company.

Some Private Lenders will accept individuals. With a Commercial security or all funds used for business purposes.

A trust with an individual as trustee or self employed Sole Proprietors are viewed as individuals.





# Private Lending Securities

Private Lenders will accept most securities except those of a specialised nature.

Commercial Offices  
Retail Shops  
Shopping Centres  
Industrial Units / Factories / Warehouses  
Medical / Professional Suites  
Residential Properties (Individual)  
Residential/Commercial/Industrial Unit Blocks

Rural Residential (non-agricultural < 100 acres)  
Serviced Apartments ( >50m2)  
Panel Beaters / Smash Repair Shops  
Hotels / Motels  
Construction Site  
Development Site

## Types of Borrowers Issues

- Credit- Judgements, Defaults, Poor Credit Score, Ex Bankrupts
- Mortgage- Arrears, Dishonours, Missed Payments
- Creditors- Outstanding Accounts, Court Actions, Windup Orders
- ATO- Individual or Company Outstanding BAS, PAYG, Superannuation
- Repossession- Mortgagee Action, Court Orders For Possession, Evictions
- Construction/Developments-Top up funds, No Presales
- Purchase- Additional funds to settle
- Cashflow- Working Capital, Asset Purchases
- Sale- Funds required now, prior to sale of property
- End of term loan – quick settlement required



Typical  
**Issues**

# Why Gryphon Financial

Gryphon Financial is a holder of an Australian Credit Licence specialising in Non Conforming and Private Lending.

We have access to over **160** National Private & Non-Bank Lenders throughout Australia.

When you make contact with Gryphon Financial and discuss your clients needs, in most cases within a few minutes we will be able to advise you if we can assist.



# Partner with Gryphon Financial

As the economy has suffered in the past years and continues to suffer there are many casualties. Borrowers in trouble have no where to go. Professional Respect

Gryphon Financial will work with you and your clients to resolve the current situation

At all times Gryphon Financial understands the relationship you have with your client, our focus will be to provide a financial solution.

You will always be in the loop as Private Lending is a short term solution normally requiring a refinance to discharge the loan.

## **The Process**

Simply email a scenario or call Gryphon Financial. We will quickly advise if we can assist.

## **Panel of Lenders**

After a discussion with you, we will discuss the scenario with our Panel of Private Lenders. If they have interest we will come back to you with an outline of a financial solution.

## **Offer**

If acceptable to your client we will prepare an offer outlining the Private Lenders general terms and conditions.

Our team will then work with you and the client to meet the conditions. Once met a more formal offer will be provided by the Private Lender.

## **Settlement**

Once all conditions have been met, valuation is satisfactory, documents are prepared signed and the matter settles

## **Remuneration**

Gryphon Financial as part of the offer will have client sign its mandate. The mandate fee is normally 1.1% to 2.2% of the approved loan amount.

This is shared 50/50 with you. Once Gryphon Financial has been paid from cleared settlement funds we will EFT your share of the mandate.

We will request invoice from you

## **Post Settlement**

We will continue to work with the client to ensure that during the Private Loan period it is conducted satisfactorily in preparation for your refinance, if this is the exit strategy of the loan.



# Settlement

# Private Loans Residential & Commercial



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Loan sizes up to \$10,000,000

- ▶ LVR Up to 75%
- ▶ Rates

1<sup>st</sup> Mortgage from 5.95% PA

2<sup>nd</sup> Mortgage from 1% PM

- ▶ Term Up to 12 Months
- ▶ Lender Application Fee  
1.1% to 2.5%
- ▶ Mandate 1.1% to 2.2%
- ▶ Exit – Sale or re-finance

(non-NCCP) Company Borrower

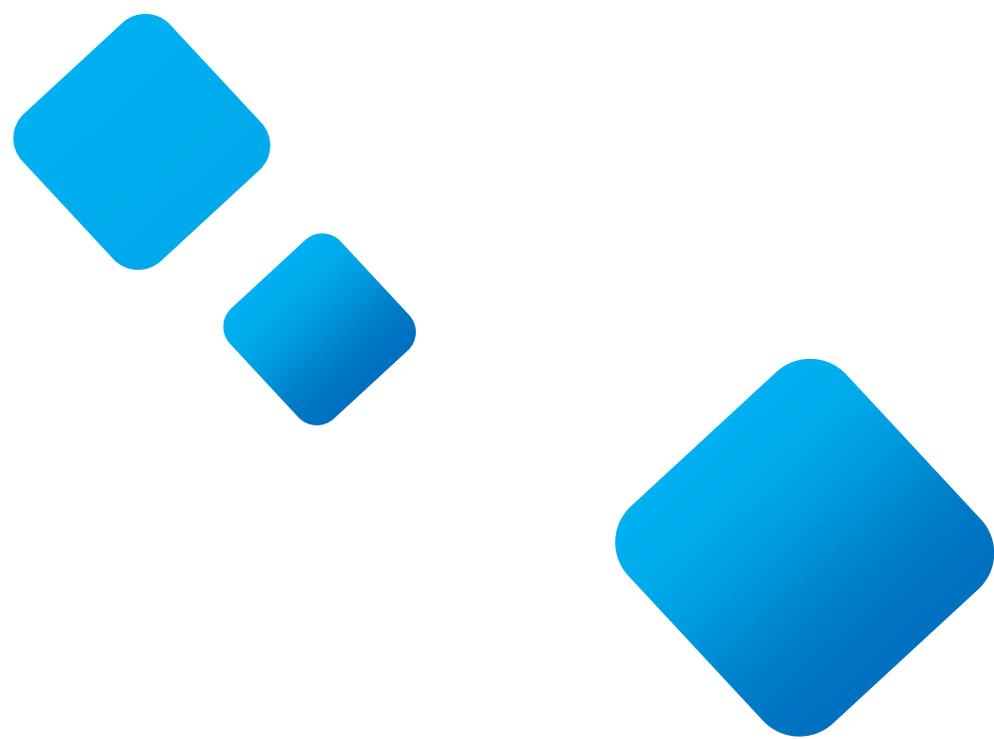
- ▶ Defaults paid or unpaid
- ▶ Judgments paid or unpaid
- ▶ Multiple Arrears
- ▶ Repossession, Windup Orders
- ▶ Ex Bankrupts
- ▶ No Financials, No BAS
- ▶ Residential, Investment, Commercial,  
Industrial, Land
- ▶ Construction- Partially Completed

# Scenario – Mortgagee in Possession



- Company Borrower with Residential Property
- 6 months in arrears
- Lender has order for possession
- Owe \$400,000, \$60k arrears and \$50k other creditors
- Bank said no, every one said no to refinance
- Property is worth \$750,000
- Bad credit history

New loan \$560,000 for 12 months. Exit strategy to refinance out with Non conforming Lender. Rate subject to impairment.



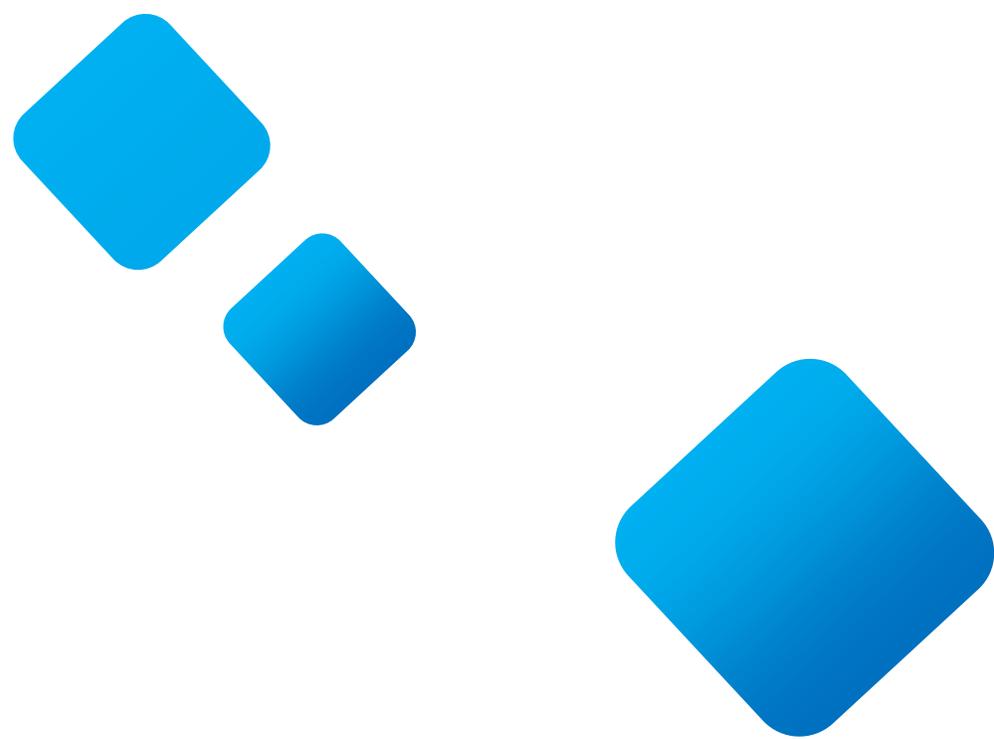
# Scenario - Administration

- Commercial property worth \$4M
- Owes Bank \$2M
- Bank appointed receiver company in administration
- \$300,000 outstanding creditors
- Receiver owed \$100,000
- Mortgage arrears
- All Banks have said "NO", everybody has said "NO"

New loan \$2.6M with some cash out; all creditors paid, receiver retired, company out of administration.

Term 12 months. Exit strategy to refinance out with Non conforming Lender.

**Rate subject to impairment**



# Scenario - Refinance

Divorce settlement

- Successful business operator
- Owns Commercial Properties
- Client to retain all properties
- Needs cash to pay out partner \$2.6M
- Valuation \$8.2M
- Owes \$2.4M
- No financials
- Some Credit Issues
- Bank unable to assist

**New loan \$5.2M . Term 12 months.**  
**Exit strategy refinance with Prime Lender.**



# Scenario - Purchase

## Commercial Property (multiple tenants, 50% occupied) – Funds to Settle

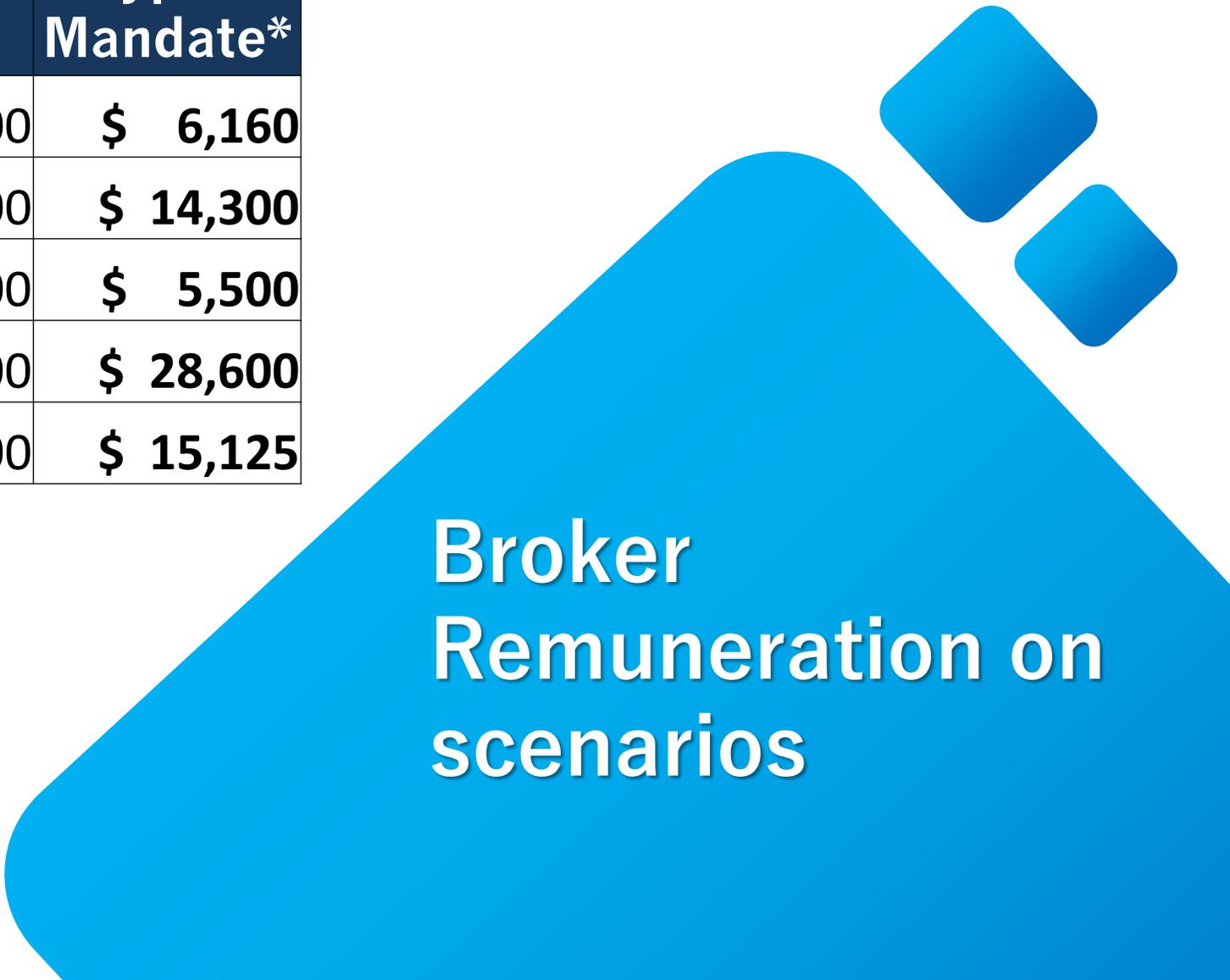
- Purchase Price \$3.5M
- Deposit Paid \$350k
- Experienced purchaser of distressed properties
- Needs to settle within 20 days
- No financials
- Bank unable to assist due to low occupancy

**New loan \$2.275M (cross collateralised with other security).  
12 month Term. Exit Refinance.**



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<b>Scenario</b>	<b>Loan Amount</b>	<b>Your Share of Gryphon Mandate*</b>
Mortgagee in Possession	\$560,000	\$ 6,160
Administration	\$2,600,000	\$ 14,300
Development 11 Units	\$500,000	\$ 5,500
Refinance Divorce	\$5,200,000	\$ 28,600
Purchase	\$2,750,000	\$ 15,125



**Broker  
Remuneration on  
scenarios**

**WWW.GRYPHONFINANCIAL.COM.AU**

## **Gryphon Financial**

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***Your Private Lending Specialist***