EPISODE 352

[INTRODUCTION]

[00:00:00] ANNOUNCER: Welcome to The Real Estate Syndication Show. Whether you are a seasoned investor or building a new real estate business, this is the show for you. Whitney Sewell talks to top experts in the business. Our goal is to help you master real estate syndication.

And now your host, Whitney Sewell.

[INTERVIEW]

[0:00:24.2] WS: This is your daily Real Estate Syndication Show. I'm your host, Whitney Sewell. Today, our guest is Jacob Cohen. Thanks for being on the show, Jacob.

[0:00:31.8] JC: You're welcome. Good morning.

[0:00:33.2] WS: I want to remind the listeners just before we get started to go to Lifebridge Capital. Go to the contact us page and sign up and I'd love to connect with you. By doing that, we'll schedule a call with you, and I'll try to help you any way I can, at least to connect. Look forward to doing that. I'd probably talk to a lot of you already, but I look forward to connecting with every one of you eventually.

Back to Jacob. A little about him before we dive in, because I know this show is going to be very important to whether you're a syndicator, whether you're actively looking for deals, or whether you're the passive investor that's wanting to understand this topic, to be able to talk to your deal sponsor, or the syndicator about this as well. This is going to be valuable information for you. Jacob received his MBA in finance from Bar-Ilan University. His bachelor's degree in Liberal Arts from – how do you pronounce that, Jacob? That college?

[0:01:20.3] JC: It's a college up in Albany, New York. It's actually an online university.

[0:01:23.9] WS: Yeah, I just couldn't pronounce the name of it. I was just asking you – Yeah, I couldn't pronounce the name of it.

[0:01:27.7] JC: Oh, it's called Excelsior College.

[0:01:29.4] WS: Excelsior College. Awesome. Jacob is responsible for providing financial solutions to commercial real estate developers and owners throughout the US. Over the course of his career, Jacob has been involved in underwriting and placing over 2 billion dollars in transaction volume. Now he works for one of the top three multi-family lenders with Fannie and Freddie and HUD. I know this is a show you're going to want to listen to and to understand the ins and outs of some financing and where to find it. He's a mortgage broker and I'm looking forward to learning more about this myself.

Jacob, give the listeners a little more about who you are and exactly what you're doing right now.

[0:02:05.0] JC: Sure. I started off at a company called Deerwood Real Estate Capital as an analyst, underwriting deals for some of the more senior folks here. Ultimately, as a couple years in, realized where the money was at; it's always on the front-end of a company, not on the back-end. I put my MBA to the side and said, “Let's focus on the cash side of the business,” and became a producer.

I'm a vice president now at Walker & Dunlop. We are one of the top lenders in the country for multi-family properties, as well as other asset classes, the company’s publicly traded and we have about 700 employees across the country. There's different, I guess jobs for each person at Walker & Dunlop. Mine as a producer is to find investors who are looking to pair up with good capital. We're focused on finding the best capital in the country for your deal.

Now that will involve various aspects. There is a big sale side to it finding the owners, but I would say a more important part of the job is actually underwriting the deal, understanding it and selling it to the banks and then working your way through to a smooth and great closing.

[0:03:11.1] WS: Okay. There's a lot of things there we need to – I want us to be able to cover. You talked about finding the best capital for your deal. That's your job, right? You're going to help us find the best capital for our deal. Tell me, when do we contact somebody like you through this process of buying this multi-family property? When should I connect with somebody like yourself?

[0:03:31.7] JC: It's a good question. I would say as you're either starting the business, or you're already in the business and you want to understand different capital types that you can use for your property, you may want to talk to someone like me, or there are many of us across the country, to understand the capital that's available today. Just as an example, Freddie Mac is pretty much out of the business today for commercial and multi-family properties.

You may want to talk to someone at a company, let's just say to say, "Hey, is Fannie Mae lending today?" If it's not Fannie Mae, who is it? There are aspects to who's lending today and who's hot in which markets. You're from Kentucky, Whitney, so close a deal at Louisville. At the time, Freddie was saying, "Let's underwrite the deal to 70% loan to value and only a 135 DSCR." Whereas, Fannie was willing to go up to 80% per cent and a 125 DSCR, which was able to improve of course on the loan amount.

Separately, besides for Fannie and Freddie, there are many other lenders out there. There's life companies, there are banks, and we want to understand are you syndicator? Are you investing your own family capital? Are you willing to sign recourse? How long of a term do you want?

Then aside from called permanent loans, there's a whole another side to the business of bridge loans, where you may want to buy property and it's a value-add deal and you want to get a bridge loan. On the bridge loan side, it's always a question of do you want to sign recourse? Are you looking for the highest loan possible for your deal? Then of course our job would say, "If you're looking for the highest loan possible, we want to match you up with the best rate as well."

[0:05:00.6] WS: The loan is such an important piece of buying a large multi-family property, right? The type of debt that you get, I mean, it can make or break of the deal, right? I mean, it's so many aspects of the type of loan, or the terms and things like that. I wanted to back up just a little bit. You're a mortgage broker, you're finding that debt, you're helping somebody like myself find the correct debt, or the best debt for our type of property that we're trying to pursue, or to purchase. When do we need a mortgage broker, or as opposed to not using a mortgage broker?

[0:05:31.3] JC: Back to the first question, I just wanted to finish that was as far as when you come to somebody like us, you need to talk to someone in the market, we're there to help you as a consultant. When we go out to market with a deal, you typically want the sponsor, or the investor to be in contract and have an LOI out. Or maybe even more than an LOI. Have a purchase and sale agreement already done, so when we go out to our lenders and they're bidding on this deal, they know that if they bid and they have the right price on the right rate, they will win the deal. They're not just waiting to see if the sponsor still is going to get the deal.

[0:06:01.2] WS: You'd like for us to have an LOI out at least. Really, I'd like to be in communication with you before that, so I can understand how to better underwrite, right? I mean, so that way I know about what debt I'm going to be able to get, the terms, the length, all those things, interest rates. Could you elaborate on that a little bit on how – you talked about underwriting and then selling it to the banks and working your way through this process, how does different types of debt affect our underwriting?

[0:06:26.8] JC: The easy answer to that is are you going for a bridge loan, or a permanent loan? A bridge loan in many cases will not give a strong return to investors, because you're borrowing 85% of cost, but you're throwing into there a big portion of capital expenditure. Were you going to renovate the property? In addition, sometimes you're buying to deal where there's only a IO cover, or even a negative debt service coverage ratio, at which point we'll put up an interest reserve and we'll have money there, but investors are in there for the long run. They want to be in there for two or three years and try to really add value to the property, so they can pull out some equity on the refinance.

As far as stabilized loans where someone just wants to beat the S&P and get a 7% to 10% return on this money where it's more of a permanent loan, then you'd want to say what type of permanent loan are you looking for? Some folks are – especially family offices where they're not so focused on the returns, but they're more focused on building equity, building a financial statement.

In such a case, they have no problem with amortization of 25 years, 20-year, will do self-amortizing in loans. Whereas most syndicators, their focus is returning capital to their investors. In such a case, we definitely want to push out to 30-year amortization. In addition to that, we want to push for IO, which means you will not be paying any principal payments during the first couple of years as long as we – I just closed on a loan in Brick, New Jersey where we got four years of IO, so he has four years of no principal payments, which he happens to have no investors in the deal, but he still gets a nice strong cash flow for the next four years.

[0:07:53.6] WS: IO, interest only. Just in case the listener doesn't know what that stands for. Four years of interest only. Tell me how that could make or break a deal, as far as when you're looking at two years of IO, or interest only, or three years, or four years, how long should we push that?

[0:08:07.1] JC: That's a great question, because people ask us, what do I underwrite? Do I underwrite two years, or four years? It really makes a big difference during two years or one year of IO would make a big difference to what investors will get back. Now of course, it's all on the front-end, because anything – when you're paying full principal payments, that's really cash that you should be getting, but instead, it's going back to pay off the principal balance of the loan.

Most investors when they put money in the deal, they want to see a return. Every year of IO makes a huge difference. Every dollar we can get, our clients makes a huge difference, which is why they hire us. In many cases, a client will go out to his banks and say, “Jacob, my bank has given me 17 million. What can you do?” We did a deal where we got him 21 million after he came to us at the 17 million dollar loan. In some cases, we can't do better and we'll say, “You know what? You have a great deal from your bank.” Most of those cases are for construction loans though, I would say.

[0:08:58.6] WS: Okay. You went into bridge and permanent and IO a little bit. Any other things as far as that's going – we should be thinking about as we're underwriting deals and we're thinking about the types of debt, even the length of the debt, the amortization, 25 or 30, or even whether it's a 10-year permanent, or five-year. What else? Walk us through some other things that I better have in mind when I'm underwriting this property.

[0:09:20.4] JC: Sure. If you're risk-averse and you're worried about the market – where rates are and where rates may be in three years, you may want to really push for 10, or even 12-year loan to try to keep – rates today are phenomenal, so you want to lock it in and get long-term debt, even though maybe you're going to lose out in five years of doing another cash out refinance, but you'd rather have long-term conservative debt.

Some folks are more focused on just refinancing as often as they can, because every refinance is a return of capital. That's tax-free. It's super helpful. I guess, they'll depend on your personal feelings with the market and your investors and what they're interested in this market. Do they want to park the capital long-term, or do they want to cycle this into many deals over the next couple years?

[0:10:03.7] WS: I know that's a big question, but I just want to get your take on some things to think about. It does. It depends on your investors. Do you know your investors? Do you know what they're looking for? Do they understand the type of deal that it is and are they looking for that big return, or return of their capital in year two, or three? Or are they okay till year five? Or maybe when you plan to exit?

Now I think you have to understand your goal of your investors as well when you're thinking about the type of debt. I've just seen debt be a deal-breaker, or a deal-maker in so many ways. You talked about selling it to the banks. What does that mean?

[0:10:37.2] JC: I'll give you an example. We have a client approached us with a deal that he bought out in Chicago a couple years ago on a bridge loan. His goal was to raise – invest money into the properties, raise rents and cash out. Unfortunately, he did not hit his business plan on time. He was behind. It was in the year three, he had expensive debt and he needed another bridge called bridge-to-bridge. Those are very hard deals to do, because lenders saw that you could not execute the first time around.

He came to us with a whole story of how he had different partners, there were various things going on, property managers quitting on him, people getting sick, but a lot of excuses. We looked at the story and said, “There are too many excuses in the story.” We cut it all out, really dumbed down the deal for the banks, made it very simple and we're able to get him a loan to refinance and we actually got a more capital to renovate the properties.

That would be on the story side. There's various example in the story side of how we will pitch the deal and as well when we're talking to lenders, we want to show there's competition, even though there may not be.

I closed a 39 million dollar loan earlier this year, where we had zero lenders to do the deal besides for one and we got a close. You only need one lender. That's just as far as pitching the deal. Then on the underwriting side, there's a lot of different ways to show the numbers. We have a lot of fun with the numbers. Looking at historical numbers, what is considered one-time expenses, what's something that's ongoing for the property? In addition, we want to show how the property is doing phenomenally today. Sometimes maybe a year ago or two years ago it wasn't doing so well, we may leave those statements on the side. There are other ways to value the property or underwrite the property.

Typically, you will try to get a monthly trailing, 12 months. We'll try to push and we'll say to a lender – I'll give you an example. Sam Bates was on your show from Trinity Capital. We did a deal for him called the Sydney Baker apartments. That deal was something that we took to Fannie and Freddie. We ultimately got more dollars from a CMBS lender. The reason was because we underwrote off of the trailing one-month statement, instead of looking back at 12 months.

It was a new property, he was just coming out of construction, the occupancy was going up and up and up so. Every month, you're going to see a higher number. We will try to take that. The last month's number, or the last three months numbers and try to analyze those numbers to show a lender, "Hey, this is where the property is going to be performing over the next 10 years." Fannie and Freddie not always can look at a T1. They usually will need a T3. In such a case, they were not able to get as aggressive as [inaudible 0:13:07.0] lender was.

[0:13:08.1] WS: The story is so important, isn't it?

[0:13:09.8] JC: It is, because like you said every deal, the debt makes such a big difference to the deal. We did a deal on a Comfort Inn down in Orlando earlier this year and we're saving the borrower $20,000 a month in interest payments, just because of our refinance.

[0:13:23.6] WS: My goodness. $20,000. That's a big difference. I mean, that is such a big deal. Wow. That's why we need somebody like yourself on our team, right? We can talk about this deal and talk about what's going on and really, you understanding how the story needs to be built to get the loan better than I will, or somebody else, right? You're going to help us through that process. That's exactly what you said. It's your job, helping us get the correct debt.

I'd love to walk through – you talked about working your way through this process and what do we need to do before and during and after and through this? Would you just give us – I guess, lay it out a little bit some things we need to be doing to get through this process successfully?

[0:13:59.6] JC: Sure. The first thing you want to do is we'll spend a week, two weeks, three weeks understanding the deal, underwriting the deal making a good presentation that we could send out to the lenders that we know. Now people think of us as really the next step, which is finding the right lender.

People may want to work with somebody at a bigger firm, like Walker & Dunlop, or Cushman & Wakefield, or JLL, or someone like that where they have access to – our company closes several hundred million dollars a week of business. We see hundreds and thousands of lenders coming through our books that we know who's aggressive at what time and who's the right lender to pair up with on the various deals that were working on.

Certainly, you want to be in the market collar, because I have to be smarter than the investor and I have to be closing more deals, or my background, my company, the people I work for have to be closing many more deals than you're closing in order to be smarter than you. On one end, we got to be smarter on the underwriting, but we also got to be smarter on which lenders are the most active and would be able to get this loan done. In some cases, it's a lender who just needs to put a loan on their book, where it's a bank. In some cases, maybe it's a new CMBS lender that came on the market and they're willing to do a deal at par. They just want to get capital out there, so people know they're lending.

We closed a loan a couple years ago where the lender actually ended up losing a million dollars on the deal. They weren't planning to lose money, but they closed a loan saying, “We'll close this loan at par,” just to get the business. They ended up – the market went down a little bit at that point and they ended up losing about a million bucks on the deal. My client has ten-year capital and he's very happy.

[0:15:30.3] WS: Wow. Anything else, like before and after finding the lender that we need to consider?

[0:15:36.4] JC: Yeah. Once you find a lender, you want to make sure that it's a lender that can execute and that will close at the terms they stipulated in their term sheet. That's something else you – Another reason why you'd use somebody like us, we've seen them transact before, we know which lenders will stick to their term sheet and which lenders may deviate from it. Every deal has a hiccup at some point. Something's going to come up that just makes it a little tougher and some lenders will say, “All right, how do we fix this?” Some lenders will say, “There's a hiccup. I want five basis points for that. I want 10 basis points with that, or I need to cut your loan.”

We got to understand where the lenders are. Right now, I'm working on a deal in Denver and there – it's a bridge loan for a property that's just coming out of construction. We have a bid from a New York lender, and we have a bid from a Denver lender. The Denver lender is a little bit more expensive, but I'm going to talk to the client and say, “Hey, we have a guy from New York. He's 40 basis points cheaper, but we also have a lender in Denver who loves the market, they execute all the time, they're 40 basis points higher.” I'll let the client choose.

There is a weighted reason why you'd want to go with someone from Denver, especially on a bridge loan where the lender is your partner on the deal and you want to work with them for the next couple years until you stabilize the asset.

[0:16:44.3] WS: I've heard horror stories about – it hasn't happened to us thankfully, but a week before, or a few days before closing, the lender decides to back out, or the lender decides that we need this instead, or this is what's going to happen, because of whatever. Can you give us some examples, or things that maybe you see that cause deals not to happen, the lending side, so we can better have our ducks in a row, to make sure we're prepared and all that's taken care of.

[0:17:09.5] JC: Sure. In some cases, it's the lender. There are some lenders we will not work with. They e-mail and call us all the time. I had a lender show up in my office on Friday and said, “Hey, Jacob. I'm in the area. I want to talk to you.” I said, “Hello,” and I was I was nice, but it's a lender we won't work with. There are those. Then there are some lenders who are always sticking to the book. They will always close and you could rely on them. Then there's many lenders in the middle. In that middle is where we have to work with the borrower and work with the lender.

To give you an example, we did a deal in New Jersey that had multiple lenders bid on the deal. Everyone wanted the deal. It was an office building, where my client bought it. It was 50% occupied and he got it fully leased up to a 100% occupancy. His total cost on the deal was 9 million dollars. We had a lot of lenders who were the 10-million-dollar mark. We had one lender who was willing to lend him 13 and a half million dollars.

Of course, when you get a lender like that – we've closed with this lender before, but we are a little bit nervous. He's a CMBS under, so he has to sell the loan. He has to be able to sell it to a BPS buyer. When we talked to the client, we’ll tell him we got multiple in the 10, maybe 11-million-dollar range. There's one outlier, 13 and half million. If you want to go forward with this, just know going into this deal, there is a chance that he won't be able to sell it and he'll come back to you and say, “I can't get this deal done, or maybe I can get it done at 9 million, 7 million, 11 million, but there is risk that you're taking and it's about a $50,000 risk take, because that's what the deposit is to go into the deal.

In that case, actually the lender closed as that and we were totally fine. It's something we would be upfront and talk to our clients about to tell them this is a lender that's a little bit shaky, or this is a loan that we've seen them across the market where others are not bidding at this level and we want to be open and fully transparent.

[0:18:58.1] WS: That's when it's nice, to have somebody like you on our team, isn't it? Because you have these relationships with the lenders and you understand many of them better than we will. I wanted to ask you, how does a company like yours get paid? I know there's listeners who don't understand that depth of the business yet and lending. How do you all make money in directing us through that process?

[0:19:16.9] JC: Sure. You guys are our clients. We don't work for the banks. The banks, we're friends with them, we go out to dinner with them, we may go to a baseball game with them, but ultimately, the sponsors, investors are our clients, so we get paid from the investors. There's a set upon fee when we start up the deal, somewhere between called – it's usually that the market is about 1% of the loan amount. It can be negotiated as deals get larger. On a 100-million-dollar deal, you may not get a million bucks. We are an advocate and a consultant for the sponsors.

[0:19:51.2] WS: Okay. I was thinking too about the underwriting. I wanted to go back to that just for a minute and I wanted you to talk about, let's say I'm looking at a deal and I have my underwriting and I felt like, "Okay, Jacob. I've got this really good deal. I'd love for you to give me some ideas about debt and see if I'm looking at the debt correctly and maybe you and I've already discussed it ahead of time and I've got those numbers in there."

Then I send you my underwriting model, or my projections and then you get to look at it, right? You see so many people's underwriting and you're underwriting so many deals. I'd love for you to talk about some things that just really kill a deal when you see the underwriting, or things that sponsors aren't accounting for that's common, or maybe not so common when you get to see the underwriting.

[0:20:31.9] JC: Good question. There are various aspects to this. On one hand, you want especially on a bridge loan, or even on a permanent, you want to have some room for error. Rates can go up, loan proceeds can go down, especially in a bridge loan where your exit is so tight. Your exit is at a seven and a half day yield, where lenders can just squeeze in and take out a loan. There's no room for error there. Including, they are floating rate loans, so LIBOR can go up, LIBOR can go down. You need to have some room in the deal for market conditions.

Other types of underwriting as we've seen that need some work is where borrowers will have a performa on expenses per unit that are not in-line with the market using someone like us. We have a portfolio of more than 80 billion dollars of loans that we service. We have access to all of these multi-family loans across the country. We can see in real-time what does it cost to operate per unit and utilities and management and marketing for each of the – every market can be drastically different.

A deal in Louisville, Kentucky could be $3,500 to $4,000 a unit. A deal in New Jersey could be $8,000 or $9,000 a unit. Especially for deals now in Texas, especially Dallas and Houston where property taxes all just got raised on everybody. You need to have some room in your deal that something out of the ordinary comes in, it doesn't just kill your returns in your deal.

[0:21:49.7] WS: What do you like to see to account for that room of error, or that – just the unknown, right? I mean, we know there's things that are going to happen that we almost can't account for a lot of times. We want to, right? We want to account for everything, but there's usually that something that happens that we can't account for, or didn't see coming and we want to have that room for error built in. What do you like to see there? Is there a percentage, or amount per door? How do you do that?

[0:22:13.1] JC: Diversification is what we're taught in business schools. Certainly, we want to see lots of deals, not just one 40 million dollar deal, because you did two 1 million dollar deals a month ago. Now we really want to see a gradual increase in your investments and a diversified portfolio, because yes, there are going to be homerun deals and there are going to be some deals that are not going to work as well, but hopefully you don't lose money on them. That's on one hand.

On the other side, as far as just predicting markets, you can't predict it, but maybe give it one to 200 basis points where if something moves, you still get a return and your investors will still be happy. They may not be thrilled, but they'll be happy with their investment.

[0:22:48.6] WS: What about entry versus exit caps when we're talking about underwriting? I know that’s going to vary some, but anything – could you give us some guidance there on how to think about that?

[0:22:58.2] JC: Yeah. I guess, you're talking about a bridge loan, right?

[0:23:01.1] WS: Yeah. Yeah, either or, or just when we're doing our underwriting, just thinking about the exit cap and the market and some of those things that you're taking into account now when you're doing underwriting.

[0:23:09.2] JC: It'll really depend on the market, because you could buy an apartment in California where it's going for four-and-a-half, five cap in that property and suburban America where maybe a six and a half cap. It's hard exactly to know. It depends on the market. Going in if it's a stabilized deal, it's fine. We're talking before about getting IO and things of that sort, most people predict the properties to appreciate in value. The exit is not as much of a worry as it will be on a bridge deal, where you really have to have that exit. You have to know that in three years when you're complete, you did all your renovations, you'll be able to cash out of that loan.

Now something unfortunate where in New York markets where they passed around regulation laws, people could have worked for three years adding value to the property, raising rents and then all of a sudden, cap rates just went up from 4.5% to 5.5%, so your value didn't really increase and all your work was not that valuable. You can't predict that.

If you have some room for error and your deals are not that tight, even if there's something that changes, maybe LIBOR can go up right now, LIBOR's at – call it around 2%, it was 2.5% six months ago, three months ago and it was at a quarter of a point to 50 basis points three years ago. That's almost 200 basis points difference in LIBOR. You really want to in some cases, buy a cap on LIBOR to ensure that it won't go up or down too much. Also, just build some room into your deal that things can move around.

[0:24:32.9] WS: Tell the listener what that is, LIBOR. Or tell them what that is in case they've never heard that term before.

[0:24:36.9] JC: Sure. LIBOR is an index. It's just the lender will give you a spread on let's say, for this deal I'm giving you a rate of 300 basis points over LIBOR. If LIBOR is at 2%, you'd be at 5%, because you got your 2% of LIBOR, which is your base and then you're stuck at 300 over

LIBOR. Now LIBOR can move up and down. One day that 200 basis points could be at 150, or it could be a 350 and it could be even more drastic than that.

You may want to look at the futures of LIBOR to try to predict where that's going, but in addition, a lot of lenders will require and even if they don't, you want to buy on your own, a cap to make sure that you ensure yourself if LIBOR goes up too high, your rates not going to shoot up to 10% if LIBOR goes up to call it, 7%.

[0:25:19.8] WS: Nice. We're getting really close to running out of time here, Jacob, but a few more questions for you. What is the hardest part, specific thing about just the lending process, or working with a deal sponsor to get this deal closed as far as on the lending side?

[0:25:32.6] JC: Good question. It's a big question, because there's a lot of – every deal will have something to it that will be hard and it's not deal specific, or it is deal specific. Every deal will have something that's hard. In some cases, it maybe a new sponsor that's buying a deal that's big for him. You got to find a lender that's willing to take the risk with the sponsor. In some cases, it's a deal that maybe it's not – it's a market that's not so attractive. I did a deal in Flint, Michigan during a water crisis. Try finding a lender for that. You only need one lender, so we did find that one lender and we got it done. In that case, that was what was hard.

In some cases, it's maybe he has a business plan that not everybody believes in. Many cases, some people will say, "I'm buying this deal and the value add here is not that I'm going to raise – I'm not going to raise rents over here. I'm going to renovate the property. I'm going to add value, because I'm a better manager than the last guy." Those are the hardest deals to sell, because you really got to show the lender that you are a better man and driven than the last guy.

We may want to start looking at your portfolio and seeing how you operate your other multi-family properties cost per unit. If the other guy was at 10,000 a unit and you can operate it at 5,000 a unit based on your other properties, it's something we can show the bank and try to get them on board.

[0:26:46.7] WS: Is there a way that you've recently improved your business, or the company has recently improved, just something that we could apply to our business as well? It could be something you personally have done, just the way that you operate or something at a bigger level within the company?

[0:27:00.1] JC: Okay. Good question. When I started out in the business, I was doing a lot of cold calling, LinkedIn and things of that sort, called online, social media, or over the phone. When I a couple years ago realized this is really a people business. You've really got to meet people. You've really got to go to conferences. You've got to get out there. It's annoying to put on a suit and meet somebody at a restaurant, or go to their office, or have them come to your office, but that is the way deals happen.

You want to meet the brokers out – if you're looking for deals, you want to meet the brokers personally, show them who you are, show them your real – in our case, we want to meet the sponsors, talk to them about deals we've done, but in person. Over the phone and through LinkedIn and other social media avenues haven't seen such a good return on my time, versus going to a conference, meeting somebody.

Then I guess on the other side of – just be open. I mentioned an example where I saved someone $20,000 a month, he was open to meeting me at a conference. If he said, "I already have a broker," that deal was actually shot by two brokers previously before we got it. He had two other brokers look at the deal, send it out to the market and could not find a lender. We found them multiple lenders and he ultimately went with a lender that fit well for his business plan, but he was open to meeting us.

I typically see the bigger the companies are, they usually are more open. The bigger, the larger – go after larger guys, because they are typically more open than the smaller guys who are very focused on what they have and they don't – they're not always as open as believing that there may be something better out there.

[0:28:30.9] WS: What is the one thing that's contributed to your success?

[0:28:34.3] JC: It's going to be just pushing forward and never hearing no and just working really hard, because I mentioned a conference. I've been going to that conference for three years in a row, never closed the deal from that conference until this year. That was multiple trips to Atlanta, Georgia. Preparing before the conference, setting up 20, 30 meetings at the conference, following up for months afterwards and then finally, you get a deal closed. As we know in this business, you close a couple deals, it is – deals are big and one deal on going to conference for three years is well worth it.

[0:29:04.6] WS: Yeah. I appreciate you mentioned too, just the follow-up. You went there three years and just all the follow-up, setting up all those meetings, that's time-consuming. I do that myself. I mean, it’s our team does. It's a lot of work, but it's very important.

[0:29:16.6] JC: Oh, yeah. I'd much rather underwrite alone. We got to push ourselves on the sales side and get out there and meet people, even though we all have things that we’d rather do. I’d give up a lot to sit behind a computer and look at Excel all day.

[0:29:28.7] WS: Jacob, you've been a great guest and this is – it’s of such an important topic in our business and I appreciate you elaborating on so many details that we need to understand and getting to know somebody like yourself. Tell the listeners how you like to give back.

[0:29:42.1] JC: Sure. I give back in various ways. I volunteer in the community in various non-for-profits. Of course, the easiest way to give back is with money. Time is much harder. We give back to the schools that we’re involved in, but we get to volunteer a lot in various events with the schools that we send to, with the community, various things within the community that will try to volunteer our time for.

Of course, money is important and we give back a lot on that front to people who can't afford to buy food, people who can't afford to buy clothing. In some cases, it's just adding things to the school that wasn't there before, or different things that you can just try to help out and make a difference, because we are lucky we're living in the century where there's just so much capital out there and there's – we're blessed of be living in this generation.

[0:30:27.3] WS: Tell the listeners how they can get in touch with you most importantly and learn more about you or connect with you.

[0:30:31.8] JC: Sure. I'm Jacob Cohen. I work for Walker & Dunlop. You can Google me. You can send me an e-mail, it's jacob.cohen@walkerdunlop.com. Just quick search of Jacob Cohen – I'm the only Jacob Cohen at Walker & Dunlop.

[0:30:43.7] WS: All right. Awesome show, Jacob. That's it's over with. Thank you.

[0:30:46.9] JC: Oh, thank you.

[END OF INTERVIEW]

[0:30:48.3] WS: Don't go yet. Thank you for listening to today's episode. I would love it if you would go to iTunes right now and leave a rating and written review. I want to hear your feedback. It makes a big difference in getting the podcast out there. You can also go to the Real Estate Syndication Show on Facebook, so you can connect with me and we can also receive feedback and your questions there that you want me to answer on the show. Subscribe too, so you can get the latest episodes.

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[OUTRO]

[0:31:28.7] ANNOUNCER: Thank you for listening to The Real Estate Syndication Show, brought to you by Lifebridge Capital. Lifebridge Capital works with investors nationwide to invest in real estate while also donating 50% of its profits to assist parents who are committing to adoption. Lifebridge Capital, making a difference one investor and one child at a time. Connect online at www.LifeBridgeCapital.com for free material and videos to further your success

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