

Express Lane

If you're a real estate agent or broker, cash flow is critical for such vital matters as meeting payroll, buying leads or completing consistent marketing initiatives to keep up with the competition.

Yet with a property sitting in escrow, many agents and brokers often find themselves a little short on funds at those crucial moments. With banks unable to provide loans quickly, agents and brokers can often find themselves in dire straits.

However, thanks to a creative business model designed by Phil Guertin of Irvine, Calif., agents and brokers can get advances of up to \$100,000 through Express Cash Flow ("ECF") in a day -- not weeks or months like at a bank, without even a credit check.



"It's a much more streamlined process than any bank can offer," says Jake Kuceck, Director of ECF. "Banks normally take 30-45 day to review a file, let alone fund the transaction."

Express Cash Flow has grown exponentially over a six-month period in 2015-2016, advancing to agents and brokers from some of the largest franchises in the U.S. including, Berkshire, Century 21, Coldwell Banker, First Team, John L. Scott and Keller Williams and many others.

ECF has experienced a 40% growth rate month over month and expect that rate to continue through the end of 2016, Guertin says. The company has proven marketing strategies that are scalable nationwide. In just a brief period of time, it has emerged as the top

Phil Guertin launched a creative financial business with one element in mind: help real estate agents and brokers get commission advances within minutes to meet critical cash-flow issues.

Recently, a Southern California agent approached the company late on Friday -- 15 minutes before the wire deadline. Within 12 minutes, the \$2,000 advance was complete. It was the second transaction in less than two weeks that the agent requested. The first was for \$5,000.

"There were a lot of moving parts that had to come together between the agent calling and funding the advance so rapidly," Guertin says. "That's one of the many major advantages of working with us."

The company is self-funded and is a licensed direct lender with significant capital behind it to fund commission advances. The company also quickly underwrites each deal since no two transactions are the same.

-ranked business in its space in California.

"High repeat business with top franchises and top producers along with great customer service has fueled the growth," Kuceck says.

Approximately 50% of the business is generated from top real estate grounds and the remaining from independent brokers and agents.

Express Cash Flow features two primary products:

- Listing advances of up to \$3,000;
- Commission advances of up to \$100,000 (advancing up to 75% of the net commission due);
- Both without credit checks and eligible for

same-day funding.

The range of properties Express Cash Flow handles runs the gamut – from the low end on a \$87,000 property in Texas to the high end on a \$15.7 million estate in Laguna Beach.

How do competitors compare?

- Express Cash Flow is usually a third less than the largest competitor;
- Advances up to \$100,000 per transaction while most competitors max out at \$15,000;
- The company provides creative custom solutions.

Guertin has been in finance and real estate for his entire professional career spanning 20 years. His experience includes:

- Chief Financial Officer of the Miller's Outpost family;
- Restructuring of various portfolio companies for private equity firms;
- Whole loan trader at New Century Mortgage trading bulk pools of loans to regional banks and Wall Street firms.

Other experience in factoring, business intelligence analytics, the family office space and capital markets helped.

He researched various business models in real estate and finance and came up with Express Cash Flow, then he decided he wanted to go off on his own and start his own firm.

"I knew this would be a big business because you're working with real estate and sales people -- and real estate is huge in California and Orange County," he says. "This model had every metric I was looking for in a business – it's high yielding, it's short term and scalable on a national level. Advancing \$5,000 or more can be risky, but the possibility of a real estate deal closing is 90% depending on when you advance. I saw it as a huge possibility and a great opportunity."

He built out a complex pricing model to take into account multiple data points for each transaction to price various risk factors.

There are similar business models to ECF, "but

we're more aggressive on our lending limits going up to \$100,000 per transaction and we structure the advances in creative ways," Guertin says. "We underwrite the transaction differently. We look at how active the agents are how strong the transaction is and how far out the close of escrow is which determines the advance pricing. Typically, we save our clients 30 percent or more compare to other companies."

Says Kucheck: "We saw an opportunity to improve on the existing model by adding a risk-based pricing component. The existing models were more of a 'one size fits all' approach. We wanted to give our clients more options."

No two real estate transactions are alike. Because they're different, ECF immediately sees what's different about it and that will translate that into particular grades of risk to determine the cost for advancing funds.

"We review each deal and come up with a precise calculation of how likely it is to close, using our proprietary pricing matrix," Guertin says. "What we want an agent or broker to do is take a portion of the commissions now and grow their business, buy leads and do their marketing so that it converts into two other leads or open escrows. Yes, you're getting \$5,000 from us, but we want you to get \$25,000 or \$50,000 from that reinvestment. If you look at that, the cost is very minimal."

Without appropriate funds for marketing initiatives for example, an agent cannot be as effective as their competition, which happens to be chasing down the same buyers and sellers.

"We don't want agents to delay their growth and we want them to stay 'top of mind,'" Guertin says. "Most agents are waiting for their commissions and then they're reinvesting it. This way, they get to do it faster." — **By Rick Weinberg**

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