



# Proof of Funds Provider

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Secure Your Competitive Edge in Commercial Real Estate

Become a Proof of Funds Provider

# The Challenge: Creating a Compelling Offer on Commercial Real Estate

## Why is a Proof of Funds (POF) Provider Needed?

- In today's market, qualified buyers often compete fiercely for desirable properties.
- Sellers often prioritize purchasers with a strong financial position, giving an advantage to offers from purchasers with POF.



# The Solution: Act as a Proof of Funds Provider

## What is a POF Provider?

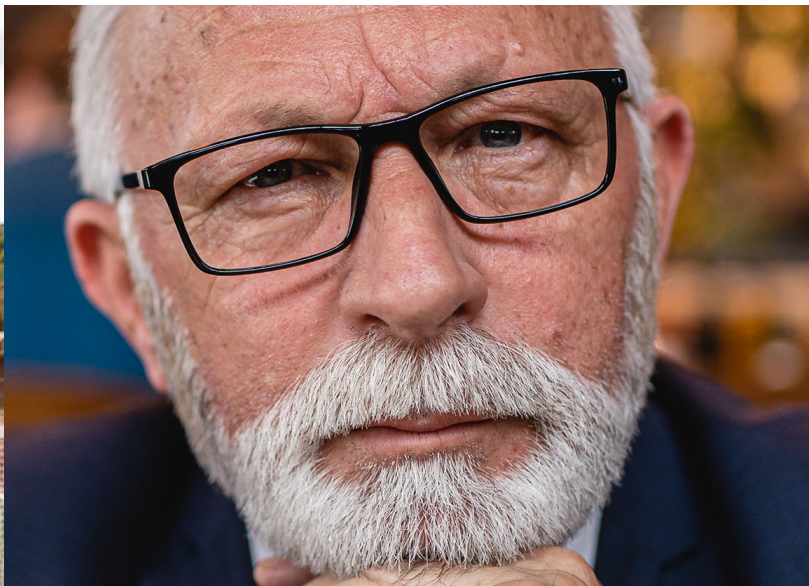
A Proof of Funds Provider is someone that can show liquid or near liquid assets equal to or more than the required loan deposit and estimated closing costs.

POF Providers help create a convincing narrative for the seller that supports the purchaser's offer.

POF Providers assist in showing the deal sponsor is qualified to complete the deal.

Some POF Providers want to invest in Real Estate but their other obligations do not permit the time to do so independently.

Examples of POF Providers: Athletes, Entertainers, Business Professionals, Medical Practitioners, etc.





# How It Works: Your Role as Proof of Funds Provider

## POF Providers Offer The Following:

- Provide an email expressing interest in the deal sponsors (GP) opportunity.
- Provide statement(s) showing liquid or near liquid assets equal to or more than the downpayment and closing costs that could be used to invest in the deal.



# Does a Proof of Funds Provider Contribute Money? Maybe

## POF Providers May or May Not Invest Money:

- The POF information (email and statement) is required before the project is under contract.
- The POF Provider's email is not a commitment to invest in the deal.
- The POF Provider at his or her preference may contribute money as part of the deal sponsor (GP) team or as part of the deal investor (LP) group after the deal is under contract.
- There is no requirement that the POF Provider make a cash injection in the project.





# How Does a Proof of Funds Provider Benefit? Get Paid For An Email



## Benefits of Being a POF Provider:

Obtain a fee for allowing the deal sponsor (GP) to use your financial position to demonstrate the ability to close the deal.

The POF Provider gains income by writing an email and providing a statement.

We are providing POF Providers 0.1% of the loan amount.

Example:

- Purchase Price: \$3M
- Loan To Value: 75% of purchase price
- Closing Costs: 4% of purchase price
- Proof of Funds Needed: \$870k (25% down payment + 4% closing cost)
- Loan Amount: \$2.25M
- Fee Paid to POF Provider: \$2,250

# Are There Risks to the Proof of Funds Provider?

No

## What are the Risks of Being a POF Provider?

There are no risks associated with being a POF Provider.

- There is no money exchanged. \$0
- There is no commitment to participate in the deal once it is under contract.





# Conclusion

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- Proof of Funds (POF) Providers play a crucial role in competitive commercial real estate markets.
- POF Providers help deal sponsors strengthen their offers by demonstrating financial capability.
- The role involves providing an email of interest and statements showing sufficient liquid assets.
- POF Providers are not required to invest money in the deal.
- Benefits include earning a fee (0.1% of the loan amount) for minimal effort.
- There are no financial risks or commitments associated with being a POF Provider.
- This opportunity may appeal to high-net-worth individuals who want passive involvement in real estate.
- Being a POF Provider can be a way to leverage one's financial position without active investment.
- The arrangement benefits both the deal sponsor and the POF Provider.
- This strategy can help secure desirable properties in a competitive market.



# Appendix

## Reference Information:

- <https://www.infosysbpm.com/blogs/digital-mortgage/what-is-proof-of-funds.html>
- <https://www.investopedia.com/terms/p/proofoffunds.asp>
- <https://corporatefinanceinstitute.com/resources/commercial-lending/pof-proof-of-funds/>
- [https://en.wikipedia.org/wiki/Proof\\_of\\_funds](https://en.wikipedia.org/wiki/Proof_of_funds)
- <https://www.bankrate.com/mortgages/proof-of-funds-letter/>

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