

EPISODE 97**[INTRODUCTION]**

Angelo Christian: One of the things that we saw in 2022 was because so many mortgage companies were laying off and downsizing or shutting down, it left a lot of great candidates to bring on board. We were doing the opposite. We didn't let anybody off. We were hiring. We got really good people to bring onto the team. Some of our biggest competitors shut down last year and it gave us an opportunity to bring in some great talent.

Tejas Gosai (TG): Ladies and gentlemen, welcome to Real Estate Investor MBA. My name is Tejas Gosai, and I've had the honor of helping hundreds of investors achieve the American Dream by creating generational wealth through real estate. I've spent the past few years interviewing the most knowledgeable experts I could find in the business to cut your learning time and conquer the hardest subjects in the game. Check out rei.mba, which my team and I have packed with over 75 interviews and free access to our real estate roadmap, webinars and publications. If you're listening, I am rooting for you. And you're already on your way to financial freedom. Cheers and happy hunting!

TG: Capital, money, you need it for real estate. And there's no other way around it, you always want to have a good financial solution to what asset classes you're going after. Specifically in markets, there's banks and lenders and brokers that can work with you to create a great relationship and let you scale. That's a lot of what I teach to all of the clients that I work with and our investors. You will find the right people to work with based on the territory that you're in. There are national lenders out there, but I think if you look at the specific markets, and you find people within that market that can really orchestrate your goal, you can have a lot of wins.

So our next guest, Angelo Christian, is a financier and he is somebody who helps real estate investors solve the problem of funding. And of course, you have to have your books set up the right way. You can't just jump in to communicating with a bank without being organized. You want to have your past three years of your tax returns, a personal financial statement, very important. It gives you your net worth and includes your assets. Another thing is just a resume. Whether you're somebody just starting

out in real estate, you may or may not know that you have a lot of skills that you've learned in just trying to get into real estate, maybe some underwriting maybe you're pretty good at inputting some numbers and finding some demographics and looking at Zillow and comps and things like that. That is a marketable trade in the real estate business. There's so many different methods to acquiring financing, and they're all across the board. Interest-only loans right now with the rates being where they are and clicking up again, people are finding more unconventional solutions, private lenders that are coming out of the woodwork, maybe they're not as invested in the stock market with all the ups and downs and they want to back actual real estate with a first lien position. I've seen a lot of high-net-worth individuals get into this space because it just has a better return. So it's nice to talk to a lender that has this big of a reach.

Let me tell you about Angelo. Angelo Christian is an investor and entrepreneur, here in the US. He's the chairman and CEO of Christian Financial a diversified investment Holdings Company. He resides in Houston, Texas – my sister is also there – with his loving family, and he's happily married. He's a proud father of three beautiful children. Angelo Christian Financial is a private commercial fund focused on growing investors' equity with alpha risk-adjusted returns. Their strategy is active trading in the markets and real estate investments. He has been featured in Bloomberg, CNN, Good Morning, America, great day, Houston, Houston Chronicle, the Business Insider, and all over the internet with some amazing free tools and information that you can utilize. He's helped tens of thousands of people transform with his influential coaching, real estate university, wealth management and mortgage banking. So exciting to have a gentleman like this on the program.

And I'm always pushing some of our previous podcasts. So please take a look. I get to pick the guests. I try to have the nerdiest topics and really get into specifics. I love sharing the story of how some of these folks have gotten from where they were to where they are. A decade is a really long period of time. I teach everybody like look, start now, start fresh and don't stop when you start. The real estate business has transformed so many people and I'm a big proponent to take advantage of it. Our website has some tools. We have a financial calculator on there and a real estate roadmap that kind of takes you from the journey from your first multifamily to syndicating or scaling up. We're on iTunes, Spotify, Stitcher, Google Play, and we love you. Check out the interview. Cheers.

[INTERVIEW]

TG: Alright guys, we got Angelo here with us today I just gave you a long-winded intro Angelo, welcome.

AC: Hey man, how are you?

TG: Good. Just got to tell our folks a little bit about your background. Can you give me the high-level stuff? And then we can get into the goods?

AC: Yeah, absolutely. So you know, I'm Angelo Christian and I own a nationwide commercial residential lending company. We've been in business for over two decades, we do all different types of funding projects, everything from, you know, multifamily, you know, landlords, he locks, ground-up construction, conventional. And so, you know, our commitment is to help our customers change their lives to grow and add value, and just really do whatever it takes to help our clients, you know, to get the funding to get the capital. So we're the type of lender that's solution-oriented. So we come up with multiple options where a lot of lenders, you know, you don't meet the criteria, they'll deny, you know, we want to come up with a way how to make it happen, how to get the funding, and really work with our customer, to guide them to structure the loan. So that's what we're famous for. A lot of people call us in the ninth hour, they need funding and (inaudible) and they couldn't get it done they call Angelo Christian, or, you know, it's a very large loan, you know, for, let's say, an RV park, and it needs multiple syndications of capital, we come in and put the whole deal together with all the banks. So you know, we were known as like, you know, kind of the white knight of lending. And we're proud of that. And that's our that's our business model. And we, you know, we have a very good track record, you can look us up online, we have a lot of happy customers, you can see our Google reviews. And so yeah, we're just we're here to serve them.

TG: That's why I wanted to have you on the show. It's New Year time, and there's been so much change, and you've seen so much, you know, and you've helped so many people and you've done, I don't know, thousands, however, you know, many transactions. It's a weird time, right? Let's get right

into it. What's going on with your clientele? I'm sure you have some really seasoned folks that you've worked with. How are folks in your circle?

AC: Yeah, so there's been some markets, like you said, that have been drastically affected, for example, first-time buyer, you know, the second quarter of 2022 and onward, you know, when we started to see the Fed raising rates and getting very aggressive with that, first-time buyers and investors for DSCR type loans or, you know, investor cash flow properties, that market really got killed, because, you know, if the rate goes from 4% to 7%, you know, that first-time buyer, you know, is not going to qualify for loans or debt ratio, and then investors don't want to do deals because the debt service isn't making sense.

TG: Pigeonholed.

AC: Yeah, yeah, it really, because we had no prior, you know, several hundred loans processing and 50% of them canceled because they, you know, you saw rates go from here to here for three months, and so that we took a bath and that I mean, I'm not going to keep you, man, it was rough dealing with that. Yeah. So, but what, one of the things that's very interesting that because I've been in the business a long time, I wanted to create a very wide product offering and be very diversified with the products that we offer. So what really stayed afloat was commercial lending and then also private lending. So those are the two silos or problems of revenue and business that kept us to sustain 2020. A lot of mortgage companies shut down last year.

TG: We got to stick on this for a minute, because I was gonna say that some people could not withstand this. You've been around for a pretty long time, you've been through cycles. And so yeah, it's good to talk about the folks that were getting loans in that period. Can you tell me some of the projects maybe some of the areas?

AC: Yeah, so what was really working well, for us was, you know, very large, let's just say Senior Living, RV parks, mobile home parks, very large institutions, they were deploying capital very large funds that weren't investing in family offices and you know, these loans are usually 10 million plus, \$200 million large mixed-use developments. Florida, Texas, the Carolinas, Tennessee is very hot, you

know, some parts of California. And then, in addition to that, the private lending which has really taken off in the last decade or so, people are you know, they're opting towards the end of the private lender versus bank because of speed the capital, right, and you do pay a little bit more, but like I have customers that, you know, that are worth several 100 million dollars, and they'd rather do a private loan and pay a higher interest not to deal with the nonsense of a bank. And you'll never think that someone of their stature would ever do a private loan, when you see their REO schedule, and you see how much money they're making, they don't care because they're focused on the ROI and the bigger piece of the pie. So those are the two things that really helped us sustain 2022. Now, going into this year.

TG: Yeah, yeah, yeah, just, you know, those are the guys that were smart in that time period, they didn't stop growing, and they are probably doing more now than they stuck through that with you.

AC: Yeah, I mean, you know Warren Buffett talks about blood on the streets, you know, by, and what you saw was real estate prices coming down, you know, these guys are getting deals. You've seen what happened to lumber right now. And so no, they're gonna jump in when the price is right. And, you know, a lot of loans they did were variable rates. So if rates go down this year, they're gonna take advantage of that too. A lot of these big loans, these CMBS loans, these very large loans, they usually have some type of adjustable feature where, you know, if rates do go down, they're going to reap those benefits. And that's, that is our expectation is that rates will slowly start to trend back down this year.

TG: Yeah, well, let's get into that, like right now, today are people better than they were over the past 12 months? Are they worse? Are they adjusting and, you know, you're seeing more or less activity?

AC: I mean, so far, I mean, start this year, residential has picked up, I don't know, if you saw in the Wall Street Journal this morning that says 18% increase in application mortgage applications. And we're seeing that too, because, you know, let's just say from October of 2022, a 30-year fix was at 7%. And now you can get it at five and a half percent. So more people are stepping up to the market to buy, and home prices are still lower, I think people, if they time it right and get the rate at the right

level, and then they can get the price at the right level because they've dropped you know, 10-15%, there'll be justified, you know, to do the deal. That's what we're seeing.

TG: Time to strike.

AC: It is for residential, I think, I think my my hope is that, you know, this year that, you know, I think rates if they stay in the four or 5% handle, it's healthy for the economy and good for inflation. And more people will, you know, want to do investor deals, want to do first-time buyer, you know, all of these things and help our market, you know, to keep growing.

TG: So what about commercial and multifamily stuff?

AC: Yeah. Yeah, I mean, that I mean, so like I said, in 2022, that was one of our I mean, we looked at, obviously, the areas that have the highest revenue, and that was our second highest revenue stream was commercial, multifamily, and a lot of ground-up construction. A lot of what we're seeing is like investors, they didn't want to do well, you have a few things, you have more money chasing that. And there's less of it. That's already, you know, built. So now you're seeing a lot of developers doing ground-up construction like on 200 300 400 units. And so the cost basis is lower. And then once they are done with the project, they can refinance to a lower rate. We saw a lot more activity with ground-up construction for multifamily for like I said, RV parks, RV parks and mobile home parks, we saw a lot of 2022. And what we're seeing, like, for example, the RV parks, if you think about it, we have the baby boomers that are retiring, they're buying these big RV's, and they're traveling all around the world, you know, all around the country.

TG: Never thought of that.

AC: Well, the only reason I know about this is one of my business partners, he does that. He bought a million-dollar RV traveling all over the country at seven years old. And I've seen where he parks his car and it's 300 bucks a month to use the little thing. There's 600 RVs over there, park, and you start to do the numbers above ROI, you know, and it's pretty much just all land and with a little pool community park and you start to think, man, this thing's actually, you know, it's a cash flow generator.

TG: I love you sharing that. I mean, I've had a couple folks specifically in the RV business. It's really cool to hear about how they're turning them into like destination, adding more amenities and this and but it's also very cool to hear that it didn't stop and it's growing. Still, how about the future? Can we get some crystal balls?

AC: Yeah, I mean, man, I, you know, my gift is, I'm more of an optimist. I've always been historically, and I guess I need to pry sprinkling some realism in there. And, you know, I hope and believe that, you know, the market will stabilize this year, that rates will come down slowly. And I think it's going to be I know, there's a lot of bad press out there, you know, that it's going to be doom and gloom recession. I don't, I don't see that I don't, I don't think it's going to be a you know, Gangbuster year either. But I think it's gonna be fine. I'm speaking in real estate, you know, mortgage-related. And when I'm talking, I think it's gonna be better than 2022. You know, but I think there's gonna be somewhat of a rebound. I think home prices can come back a little bit, I think I think there's gonna be more consumers stepping up to the plate to get funding this year. And that's what we've seen already in the start of January. So I just want us to sustain and stay like that for the rest of the year.

TG: And you got a little bit of a hedge period, if you're getting more applications, that means next month, there's properties going under contract the following for closing, and yeah, thanks for that. How about with being in so many different states? And, you know, there's regulations or this or, you know, other pieces? How do you manage that, with such a large company? You know, just coordinated?

AC: Well, I mean, you obviously, you have to have the infrastructure, right, the management, operations, you know, I can't I don't do it all, I'm not smart enough to go, you know, and I'm only one person. So, you know, having people in place in the right departments, you know, with compliance, you know, with operations processing, underwriting, you know, and one of the things that we saw in 2022 was because so many mortgage companies were laying off and downsizing or shutting down, it left a lot of great candidates to bring on board. We were doing the opposite. We didn't let anybody off. We were hiring. Wow, we got really good people to bring onto the team, some of our biggest competitors shut down last year. And it gave us an opportunity to bring in some great talent.

TG: That's very, very cool. So how do you stay motivated? Friends, family, kids?

AC: For me, it's, you know, obviously, my family. I've been married for 20 years, I've got three children.

TG: Congrats. How old?

AC: 16, 12 and 10. And, yeah, I'm getting 42.

TG: They're the same age. Mine are seven and nine.

AC: Yeah, so having them grow up, and having them become adults and seeing, helping, you know, seeing my daughter walking on the altar in the aisle, and my son graduated, he wants to be a baseball player, hopefully he gets there and, and being part of those moments, helping my team grow really big about my team and having them grow and changing their lives. You know, so that's, that's a big thing for me. So that helps to motivate and then my customers, I mean, solving people's problems. You get a call, Hey, I got a problem here. Can you help me fix it? You know, I feel good when I help somebody.

TG: It's got to be a big thing on that private lending side that you were saying because there's just, so many people, so many people out there that are willing to put money in a secure bet. And I think there's way more now than there ever has been. You said you have some folks that have hundreds of millions of dollars. It's hard to find folks like that, but it might be getting a tweak easier for you.

AC: Well, the thing with, from the investor standpoint, and these loans go into securitization, you know, the private loans get bought by an investor. And when we first started, it was harder to get investors to buy our notes, because they didn't know who we were. And now it's the momentum is built on. And so what they look at is risk and then obviously, the reward, and you know, these private notes they pay anywhere from nine to 13%. Yeah, so, and the LTV on these on the collateral is usually 50 to 60% Oh, wow. To them, it's a no-brainer, because it's first trust deed. And the way that we structure our loans, the investors are pretty much I'm not gonna say completely risk-free, but they

have minimal risks. And they compare that to well the stock market, or they compare that to, you know, getting putting their money in a CD and getting two or 3% of the investment and loving those returns. I mean, we're seeing, you know, insurance companies, REITs family offices, private, wealthy individuals, you know, we've had some sheets from the Middle East, Middle East. Yeah, that, that, that buy these loans, in tranches. And so it's very interesting, because the yields are so high, and they want to diversify their portfolio. Right, you know, and then we, you know, obviously we have that we, we control, the origination, the underwriting and the servicing, so they like that, because we're with them if anything ever goes bad or the deal.

TG: That's brilliant. And that's amazing International.

AC: Well, well, the originations are in the United States, we haven't gotten into other countries, but the investors can be gotten, they can be anywhere. Yeah. You know, we're not perfect. I'll tell you that, we make a lot of mistakes. But we care when we put on the

TG: It's the biggest thing that matters. We have a lot of first time listeners and also folks that are first time investors, what do you say to somebody who's, you know, scared, I guess, or they're intimidated about what's going on?

AC: Yeah, I mean, I think if you're a first-time investor, watching, you know, podcasts, such as yours, getting educated, understanding what you're doing to go to these RIA networks, get educated. And make sure that you really understand what you're getting involved with. And then ultimately, you know, put your toe on the water, you have to learn, you got to get experience.

I wouldn't do anything, or you bet your house or anything crazy. But if you have, let's say you can put you know, you know, if you have 10,000 to invest, then do 10,000. But don't don't take a mortgage on your own to do a deal. You know, the reason I was watching this the other night that I don't know if you watched the game on Saturday at Jacksonville, it was awesome. Yeah, but you see, there was a guy when they were losing 27-0 that a million dollars at Jacksonville was gonna lose. The pay out was only 14 grand. That's the story, it's real. So he lost everything. Actually you can look it up. It's on Vegas, one of the biggest sports books and Caesars and they posted it was just unbelievable. So you

don't want to do that out and make these crazy bets. Unless you have the money to do it and you don't care. Probably that guy had the money. I don't know. Hopefully, yeah, but don't do something crazy at the beginning and just surrender to it. Like always say surrender for the craft and become a student. And then you know, then network and shadow mentor under the right people, you know, and then time you'll get it.

TG: Love that. Love that. Thank you. We're coming to time. How does somebody get a hold of you?

AC: Yeah, if anyone ever needs any help with we have, you know, like I said, we're a nationwide lender you can call or text Office 832-431-6331 or you go to a website Official Angelo Christian, we're on all social media, Angelo Christian Mortgage on YouTube, Official Angelo Christian on Instagram. You can DM us there, text us whatever. And then we also have a university if anyone wants to become a student and learn about Angelo Christian Lending, you can go to our university realestateuniversityonline.com. And that's also on our YouTube channel too.

TG: Amazing, awesome ways to get in touch. I encourage you to check out the show notes too everything to get a hold of Angelo, follow. But really great. Thank you. So

AC: nice to meet you, man. Thank you so much for being on the show. Best of luck.

TG: Definitely. Definitely. All the best to you and we'll have you back on one day.

AC: Awesome. Sounds good.

TG: All right. It's Real Estate Investor MBA. Tejas Gosai. We just had Angelo Christian. REIMBA.com. Cheers.

AC: Thank you.

[END OF INTERVIEW]