

David Kasten
BMC Capital
Dallas, TX
August 13th, 2016

1

This summer, I worked 10 weeks at BMC Capital in Dallas, Texas. BMC Capital is a mortgage broker and lender in the real estate market across the sun-belt states, primarily Texas. BMC is headquartered in Dallas and has offices nationwide in cities like Houston, Austin, Saint Louis, Denver, Phoenix, and Albuquerque. BMC was once strictly a mortgage broker but after their recent purchase of Titan Bank, they became an option for direct lending. BMC focuses on deals in the small to mid-sized markets, ranging in loan amounts of 500M to 30MM. BMC is deeply connected and well-respected in the broker and lender communities nationwide, a pivotal cause to their successes since BMC's inception.

My time this summer was spent as an associate working directly under various Loan Officers. Deals come in due mainly to BMC's connections and respect in the property-owner community as well as multiple tactics with marketing leads. When a property owner has the ability to refinance or acquire a property but does not want to work directly with a Lender due to a caution of being provided a quote that does not fit their loan and scenario, they take their business to BMC to provide the brokerage service. As an associate, I collected due diligence from the borrower and using the collected information, created an underwrite for the deal. The underwrite decides the future of the deal moving forward. For an underwrite to be successful, it must obtain a viable Debt Service Coverage Ratio ($1.20 <$) resulting from the projected Net Operating Income of the property and the guidelines of the

David Kasten
BMC Capital
Dallas, TX
August 13th, 2016

2

deal like interest rate, amortization, loan amount, and property square footage or unit count. Once the underwrite had been completed, I created a professional package for the loan officer including relevant due diligence along with the underwrite and an executive summary describing the basics of the property and the loan wanted from the guarantor. These packages were then distributed and sold to lenders based on quotes that they provided BMC in response. Underwriting and packaging was by far the most time consuming area that I worked in this summer, however, I worked on marketing leads for many member's of the firm, called property owners with upcoming loan maturities and advertised our services for them to use BMC at the time of their property refinance, and assisted the officers in making spreadsheets and templates that made areas of their deal more concise and easy to comprehend to make decisions on.

Technically, brokerage firms are not necessary in that a property-owner could go directly to a lender, however, with a smart broker in the mix as a consultant for both sides there is a deeper understanding of what both parties want and the best solution to create happy customers and successful loans. From working at BMC I was able to see a very accurate portrayal of what it truly takes to work in the commercial real estate industry and be successful, impactful on others, and to have your clients and those you work and associate with look to you as a source for their needs. From everyone on the BMC team that I worked with, I pulled away a

David Kasten
BMC Capital
Dallas, TX
August 13th, 2016

3

sense of tenacity mixed with adaptable personalities and an ability to sell themselves and the BMC product. These traits are carried by respectively the most successful businessmen in the real estate industry.

This internship affected my career goals in that I now have a serious consideration for working in commercial real estate brokerage. Although I learned that there are many sides to development, property management, and real estate lending, brokers create a method for the process to be streamlined and for deals to get done in a timely manner. Overall, brokers minimize the risk of loans failing and are able to take both parties perspectives and wants into account from an unbiased standpoint. I very much enjoyed my time spent with BMC Capital developing real estate brokerage as well as general office skills.