The Silbernagel Group Inc.
Real Wealth Advisors

Midnight Loan Strategy

Empowering Real Estate Sellers with Liquidity and Tax Deferral

⚠ The Problem

Clients exiting appreciated or depreciated property want to defer capital gains tax with a 1031 or DST, but feel stuck:

- ✅ **Tax deferral**
- ❌ **No liquidity**

They can defer taxes OR access cash — but not both.

The Midnight Loan Solution

Before Closing

Client gets a loan from (and held by) the bank – loan is equal to or less than replacement DST debt

At Closing

Loan is repaid from sale proceeds

If Sale Fails

Loan is repaid from held funds

Everyone Wins

- ✅ Bank gets loan fee with minimal risk
- ✅ Client gets tax deferral + liquidity

Case Study

Client ready to retire from self-management of an investment real estate property.

Client's Problem:

Purchase Price: $1M
Fully depreciated

Property Value: $3M
No mortgage

Client does not want to pay the tax, and is uncomfortable doing a 1031 exchange into no more than 3 properties per IRS requirements.

Client's Result:

Just prior to closing, identified DST with 50% loan-to-value to complete a 1031 exchange.

Bank gives loan with equity out on existing property of 50%, or $1.5M.

Client gains...

$1.5M Liquid

$1.5M Equity

$3M DST

Bank's Result:

Flat Fee:	$2,500
1% of $1.5M Loan:	$15,000
Total Revenue:	$17,500

- Short-term loan, quick payout
- Held funds = no foreclosure risk
- Doesn't tie up lending capacity for more than a few days
- Be the hero at the 11th hour

Work With Us

We offer dozens of DST options and specialize in tax-efficient, multi-generational planning. We will refer to you a steady stream of transactions. Let's partner to give your bank an additional stream of income.

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