

AUGUST 2023

THE OFFICIAL MAGAZINE OF GERACI

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STEWARDS OF CAPITAL, LONE STAR STYLE



By Charles Peckman, Contributing Writer for *Originate Report*

“Everything is bigger in Texas.” This phrase is everywhere, and is plastered across t-shirts, bumper stickers, and tchotchkes of every assortment. But what does it take to live up to this catchy moniker?

Look no further than HouseMax Funding, the Austin-based group that has emerged as a leader in hard money lending. The HouseMax team has over 25 years of lending experience and over 50 years of collective Real Estate sales and investing.

With a national footprint and a comprehensive suite of products, HouseMax offers unique solutions in

a fast-paced lending environment. In addition to ground-up construction loans, HouseMax offers fix and flip lending, rental loans, and opportunities for multifamily developments. HouseMax’s owners have flipped over 3,000 homes.

To better understand how market conditions – including low housing stock, shifting consumer demand, and the permeation of Artificial Intelligence – are affecting the lending sphere, *Originate Report* sat down with three leaders from HouseMax: CEO Jeff Fechter, President Alex Morris, and Chief Revenue Officer Doug Roberts.

For Jeff, the success of HouseMax, in part, lies in the balance of strong deal flow and staying on top of an ever-evolving technological environment. Another key element boils down to training, a seed that was planted during Jeff’s childhood.

“My parents owned fast food restaurants and I would sit in the back and see how extensive the training videos were, even down to how the fries were made,” he said. “That’s how we look at the business of lending – every file has the same ingredients and is going to look and taste the same. That kind of consistency across our platforms allows us to focus on the

bigger picture and adapt to trends in the market.”

From the inception of HouseMax, Jeff said organizational efficiency has been a key ingredient in the group’s continued growth. Because of the array of products offered – and the complexity of today’s market – Jeff emphasized that the experienced team of lending professionals is the group’s biggest asset.

During the COVID-19 pandemic, for example, Jeff said a hot real estate

market saw traditional real estate fix and flippers struggling to find investment-grade assets; listings were selling overnight and well above asking prices in markets across the country.

Navigating through the pitfalls of this environment, Jeff highlighted how the HouseMax team adeptly harnessed their wealth of experience to steer borrowers through market-based challenges.

“On top of [housing] stock concerns, there were also challenges in sourcing raw materials,” he said.

“Because of these conditions, a lot of folks took on longer-term projects, including expansions and additions. Fast forward to today, where the stock, in some cases, has stabilized, we are guiding our borrowers through different challenges. There will always be concerns in the market, but what HouseMax does is offer a guiding hand through those ups and downs.”

Regardless of market conditions, Jeff said HouseMax strives to stay ahead of twists and turns. A recent example, he noted, is hesitancy by regional and commercial banks to offer capital.

“There is unease right now, and some institutional lenders are having to take a step back and reevaluate their market positions,” he said. “An important charge we have as lending professionals is to highlight the positive aspects of the field.”

This market expertise, though, is not formed overnight. Both Alex and Jeff agreed that after fixing and flipping over 3,000 homes, one question always remains central – ‘is this asset a winner?’

“One of the biggest mistakes I see fix and flip investors make is prioritizing the property itself over



HouseMax Funding Team
Jeff Fechter, CEO; Alex Morris, Co-Founder & President;
Doug Roberts, Chief Revenue Officer

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the renovation and intangibles that go into a deal,” Alex said. “We spend a lot of time counseling borrowers to soften the downturns in the market, but also to sell assets that are not winners. We always say – ‘if you don’t have a winner, find one.’”

Jeff acknowledged that unearthing these winners may appear challenging, emphasizing that neither the housing market nor the current stock lies within any single company's control. However, in this dynamic landscape, the HouseMax team focuses on the one aspect they can control – the influx of leads coming through their doors.

“What we cannot control is what comes out of the box,” Jeff said. “When we look at the top of the funnel, what we can regulate is how many leads we place there – and through our stringent underwriting process, we can see what will work and what won’t. And on top of controlling what goes into the funnel, we can also adjust the output. Any company that says it wants to fund X amount of loans per month is thinking about deal flow the wrong way. It is not about the amount but making sure assets are vetted and the deal is sound.”

Speaking to this critical revenue element, Doug said the most important facet of maintaining deal flow is ensuring everyone is on the same page.

HOUSEMAX FUNDING



Jeff Fechter
CEO, HouseMax Funding



Alex Morris
Co-Founder & President, HouseMax Funding



Doug Roberts
Chief Revenue Officer, HouseMax Funding

“What became abundantly clear to me from the first meetings I had with Alex and Jeff was their attention to detail and commitment to customer support, paired with their market expertise. I knew right away that we would click, and that maintaining a strong cash flow would be on the front burner,” Doug said. “Another attribute we share is following through – even as we continue to grow and our responsibilities expand, if someone picks up the phone and needs us, we are there.”

"One negative element associated with growth is the lack of involvement by management as a firm expands,"

Jeff said. In addition to being there for employees and stakeholders, he added that inspecting each element of operation and adjusting as needed remains crucial.

“One of the core principles of HouseMax is an effort-based mindset with our sales team, which in turn drives revenue and pushes us forward,” he said. “And understanding, too, that the rate of return will never impact our stewardship to the secondary finance market. Just because we have done a great job in the past doesn’t mean we are phoning it in – our eyes are geared towards the future, a future that looks bright.”

Part of this future, however – not just in real estate but practically every sector – is the expansion of Artificial Intelligence. When thinking about the intersection of real estate and AI, Jeff said it is important to weigh when technology-based tools will help and when they will be a burden.

“There is so much that can happen throughout the course of a deal,” he said. “But at the end of the day, a person needs to review that documentation and make sure that just because an algorithm gives the green light, it doesn’t mean that is the end all be all. Where I do think AI will help, though, is on the underwriting

side, assisting with processes that are already partially automated.”

A common misnomer about technology, Doug added, is that it is a differentiating factor for businesses. While some companies may hide behind flashy technology or hop onto fads, the HouseMax team applies the same due diligence to technology that is given to real estate transactions.

“I think that in today’s world, everyone has to have a technological component,” Doug said. “I think what differentiates us is that, in addition to this technological side, we still value the ‘old’ school of

thought: when something needs to get done, we pick up the phone. We talk to borrowers every day, and because we know our clients’ needs, we can break down problems to their fundamental components and get at the root of problems and solutions.”

This sentiment was echoed by Jeff, who added that the HouseMax team stands at the intersection of utilizing new tools while making sure those tools meld with their customers and current demands in the market.

“To overlook something because of automation would be a detriment to

what we have built so far,” he said. “With some of the tech that has come out over the course of my career, the same headlines have always emerged: that these tools would relegate Realtors into irrelevancy. But here we are, continuing to grow and offer a competitive suite of products for our clients.”

The emergence of AI has permeated many conversations in lending lately, but Alex said one key trend outside the realm of technology is surging interest in build-to-rent developments, which HouseMax is watching closely.

“New home inventory is still an issue,” he said. “I think the current trend of build-to-rent also is indicative of shifting demands from younger generations. In a post-COVID era, there is renewed interest in returning to more metropolitan areas, and we are working with our borrowers to make that dream a reality.”

What these shifting demands also showcase, Alex said, is an underlying fact some groups overlook – housing is not ‘one size fits all,’ and trying to put all customers in the same box leads to floundering business.

“When you think about someone in their 20s or 30s, they don’t want to live on the same street as me,” Alex said. “They don’t want kids running around everywhere, and they also don’t need 3,000 square feet of

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— Doug Roberts

space. On the flip side of this, however, what we have seen with the rise of remote work is a desire for more space in rental units and homes.”

No matter the location or outstanding market conditions, Jeff said that, ultimately, guiding borrowers – and growing business – makes him feel a sense of pride every morning.

“What I want potential borrowers to know is that we are good stewards of capital,” he said. “We are thoughtful about the loans we originate, and we also understand the ins and outs of the market. Lending is currently

a very competitive, and often crowded, field. What we aim to show at HouseMax is that we bring our Texas roots with a Wall Street mentality.”

HouseMax Funding is one of the fastest growing hard money lenders in the country. If you would like to learn more about the products offered by the team, visit: housemaxfunding.com.



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For more information, please visit:
<https://housemaxfunding.com/>



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**WHEN YOU NEED A HARD MONEY
LOAN FAST, WE MAKE IT EASY.**

HouseMax Funding is a Texas based lender with a national footprint.

Its principals have fix-and-flipped thousands of homes across their combined careers, and have operated within most facets of the real estate industry. When you need the best hard money lenders in Texas, you can count on HouseMax Funding!

THE BEST HARD MONEY LENDERS IN TEXAS



Fix & Flip Loans

Short-term financing custom-tailored for your scenario. Loan terms are flexible, from six to twenty-four month terms. We offer same-day approval with a quick close.



Rental Loans

We offer long term rental loans. These loans are fast and easy. We use the rent from the property to qualify the income. Get approved in minutes!



The Loan Process

Call or email HouseMax Funding to discuss your deal(s). We will be able to help you pre-qualify the deal over the phone in a matter of minutes. If the numbers make sense for all parties, it’s time to get to work.

We get you. We got you. Let’s go!

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