

THE 2026 PLAYBOOK

SUCCESS BLUEPRINTS FOR PRIVATE LENDERS OF ALL SIZES

Presented By

Kevin Kim, Esq., Partner & Chair, Corporate & Securities at Fortra Law
Nema Dagbandan, Esq., CEO of Lightning Docs & Partner at Fortra Law

AAPL #16
ANNUAL



FORTRA
LAW
AAPL GENERAL COUNSEL



LIGHTNING
DOCS

YOUR PRESENTERS



KEVIN KIM, ESQ.

Partner & Chair Corporate
& Securities at Fortra Law



NEMA DAGHBANDAN, ESQ.

CEO of Lightning Docs
Partner at Fortra Law

AAPL[#]16
ANNUAL



FORTRA
LAW
AAPL GENERAL COUNSEL



LIGHTNING
DOCS

WHO IS FORTRA LAW?

Nation's Largest Law Firm Dedicated to Private Lending.

AAPL General Counsel

3 Legal Teams:

- Corporate & Securities: Fund Formation | Licensing | Advisory
- Banking & Finance: Loan Documents | Capital Markets | Compliance & Research | Loss Mitigation
- Litigation & Bankruptcy: Mortgage Litigation & Secured Creditor Practice

Conferences: Fortra Conferences Spring & Summer events

Podcast: Lender Lounge with Kevin Kim

Fortra's Corporate & Securities Team

- Formed & Advised over 1000 Debt Funds in Private Lending
- Nationally recognized experts in Debt Fund formation for Private Lenders
- AAPL Certified Fund Manager Instructors

www.fortralaw.com

**AAPL[#]16
ANNUAL**



**FORTRA
LAW**
AAPL GENERAL COUNSEL



**LIGHTNING
DOCS**

WHAT IS LIGHTNING DOCS?

→ Cloud Based Loan Document Solution Built by Fortra Law Attorneys

→ Only Used by Private Lenders
(no banks, credit unions, conventional, etc.)

→  *The Industry Standard
for Private Lenders*

→ Business Purpose Loan Documents ONLY

→ DSCR & RTL Loan Documents

→ **306** Active Users in 2025

www.lightningdocs.ai

AAPL #16
ANNUAL

 **FORTRA
LAW**
AAPL GENERAL COUNSEL

 **LIGHTNING
DOCS**

Playbooks for Private Lenders Going into 2026

AAPL #16
ANNUAL

 **FORTRA**
LAW
AAPL GENERAL COUNSEL

 **LIGHTNING**
DOCS

SET THE STAGE

- Private Lending is IMMENSELY fragmented
- There are several business plans and capital structures
- There isn't necessarily ONE playbook for private lending

GOALS FOR TODAY

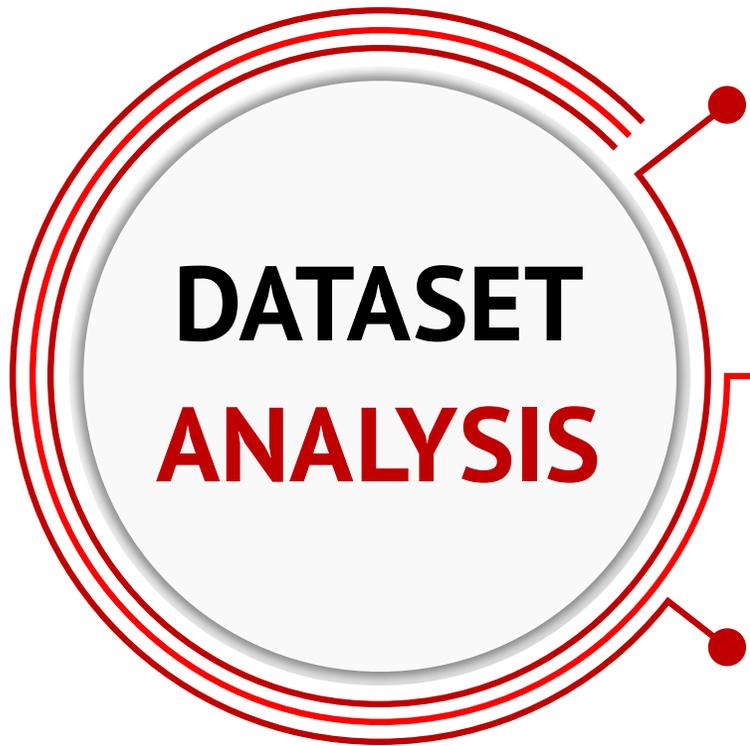
- Recap Industry Data in 2025 to identify notable trends
- Lay out the 5 most common business plans in private lending with pros and cons
- Identify specific next steps based on models

LOAN LEVEL DATA 2025

AAPL #16
ANNUAL

 **FORTRA**
LAW
AAPL GENERAL COUNSEL

 **LIGHTNING**
DOCS



136K+

Loans Analyzed

\$74B+

In Loans Since 2018

\$3B+ & 6K+

**Monthly Loan
Transactions In 2025**

DATA ANALYSIS METHODOLOGY

- Remove loans < \$50k and > \$5MM
- Remove loans with interest rates < 4% and > 20%
- For volume slides user must have signed up to use Lightning Docs prior to the Date Period Identified (for example before 2025 or before 2024).

DEFINING TERMS

Bridge

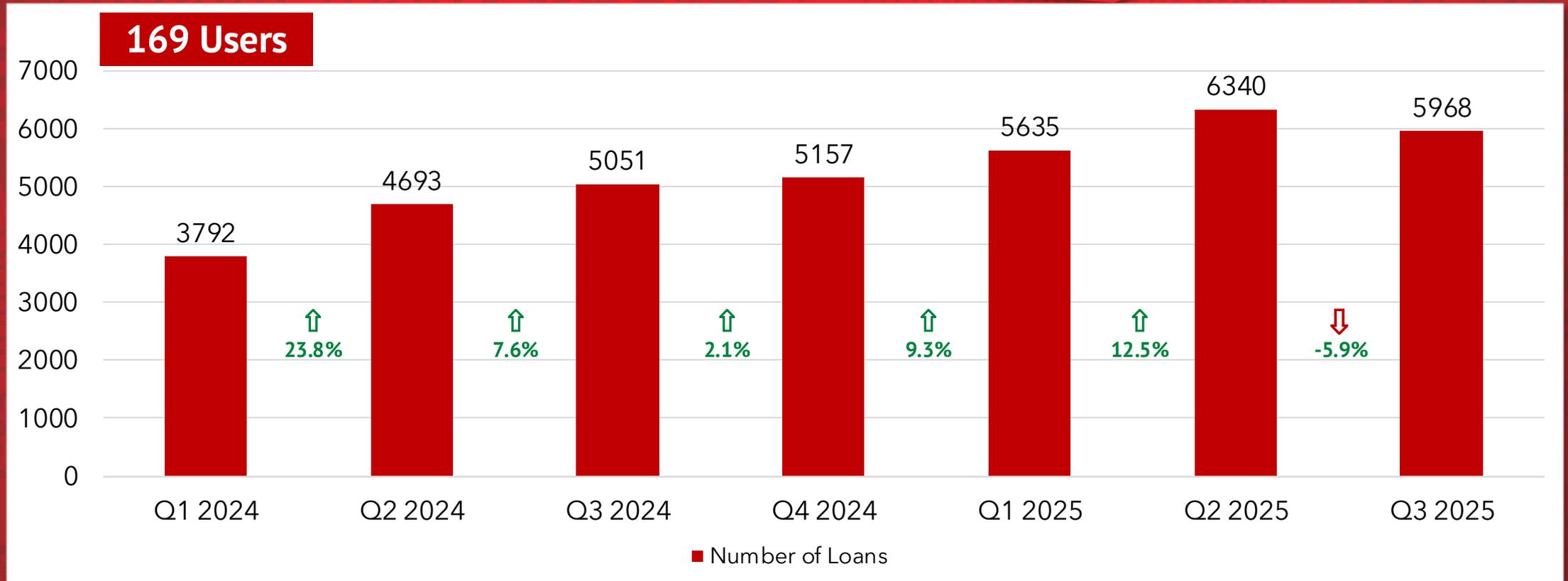
- An interest-only loan with duration < 36 months
- Includes RTL, fix and flip, construction, and straight bridge

DSCR

- A **30 Year** DSCR (Debt Service Coverage Ratio) rental term loan
- May be adjustable rate or fixed
- Typically contains a 5-year prepayment penalty
- Not meant to sit on balance sheet but instead sold to securitization/insurance exit

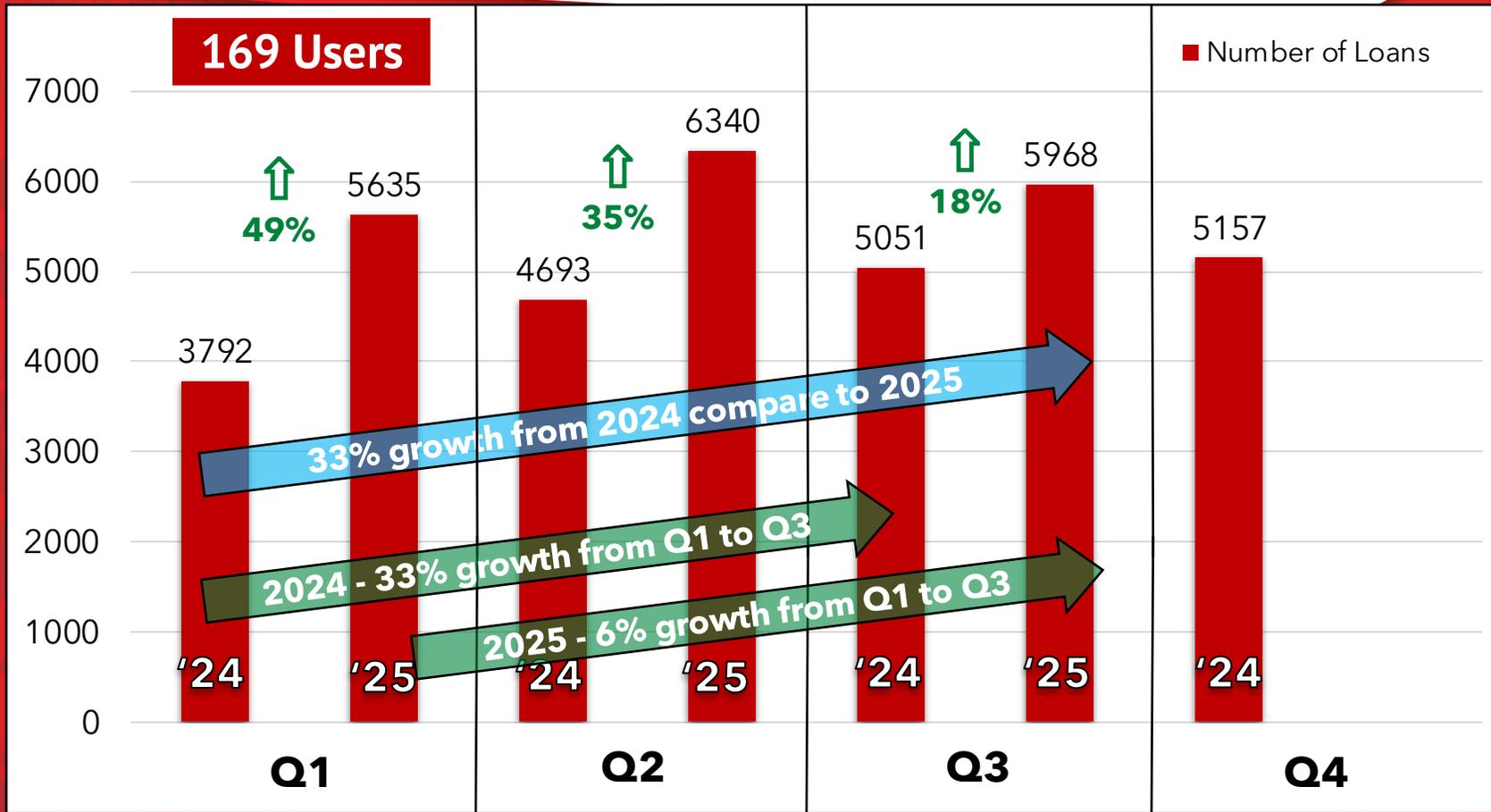
BRIDGE LOAN VOLUMES BY SAME USERS

Q1 2024 – Q3 2025



YOY ANALYSIS OF BRIDGE LOAN VOLUMES

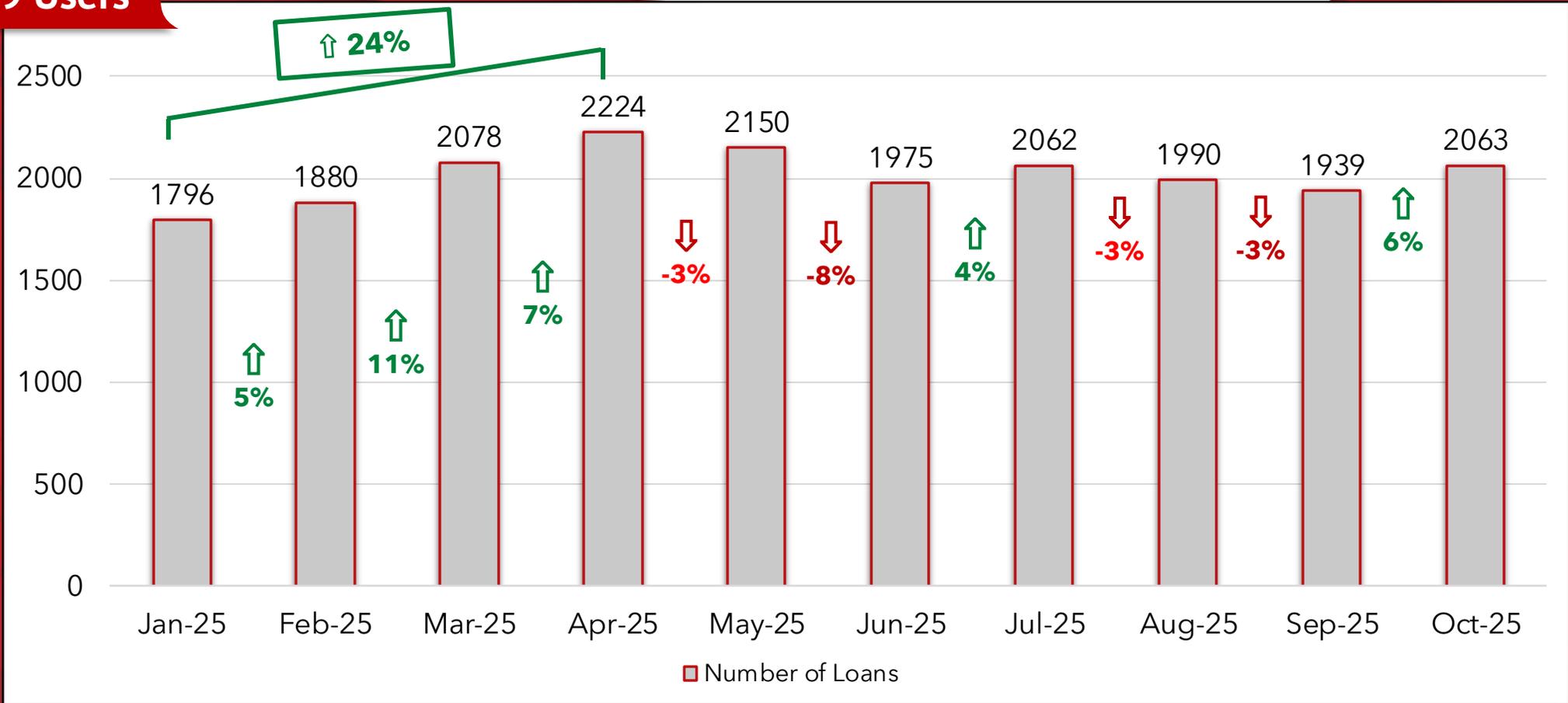
2024 - 2025



BRIDGE LOAN VOLUMES BY SAME USERS

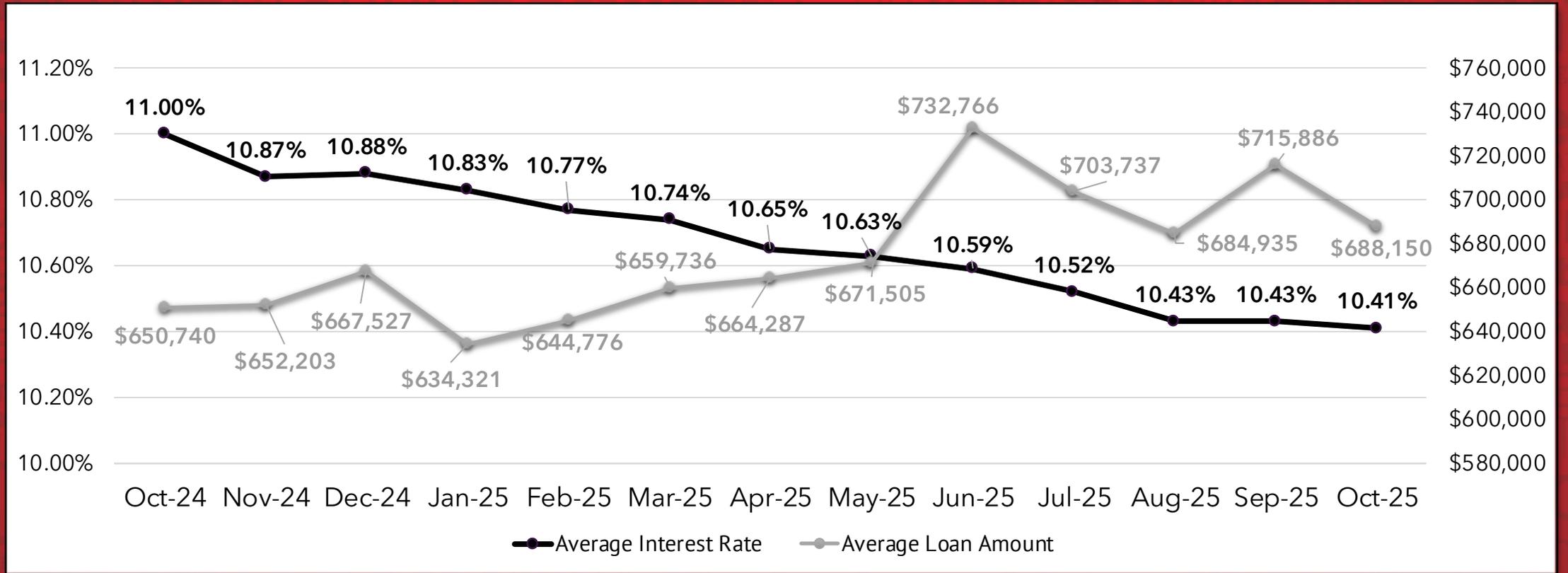
JAN-OCT 2025

169 Users



BRIDGE RATES & AVG. LOAN AMOUNTS

OCT 2024 – OCT 2025

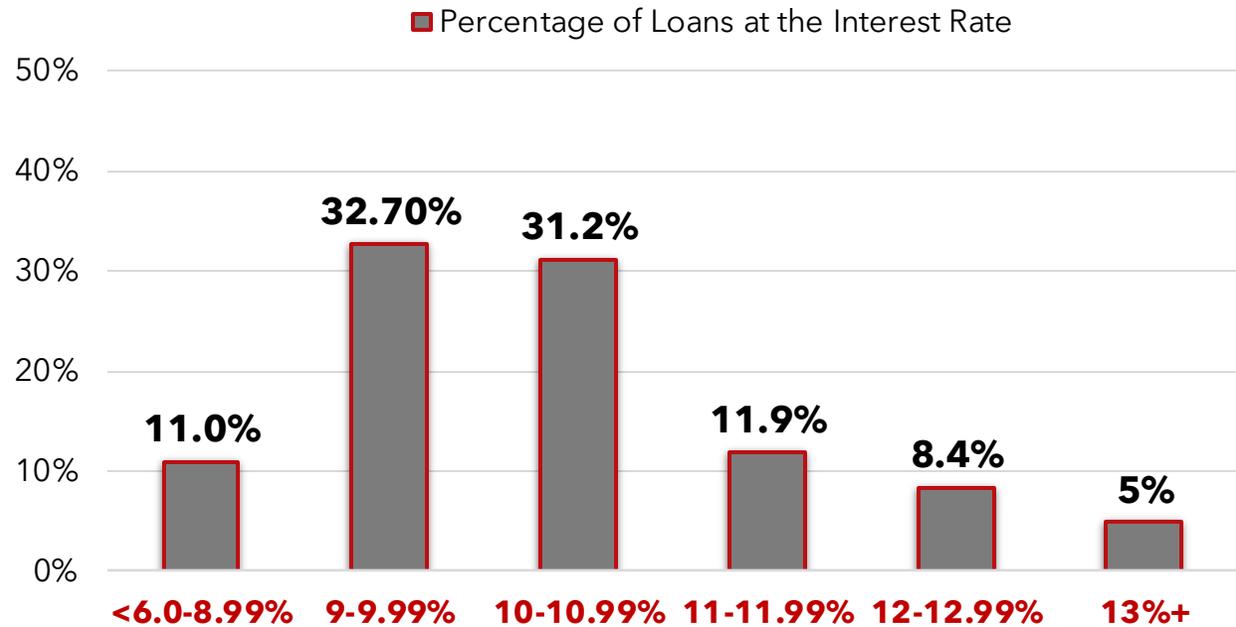


BRIDGE INTEREST RATES

OCTOBER 2025

Average Int. Rate
for October:
10.41%

64%
Of Loans Were
Between **9-10.99%**



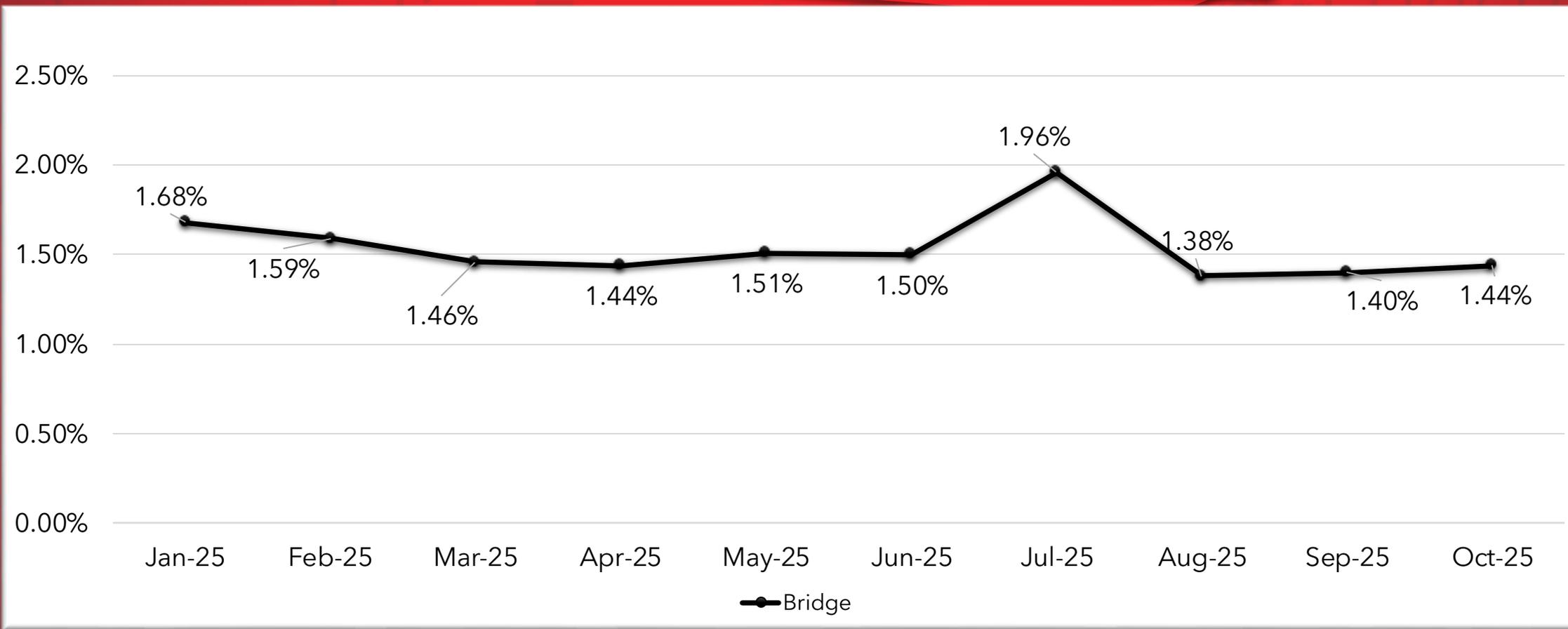
AAPL #16
ANNUAL

FORTRA
LAW
AAPL GENERAL COUNSEL

LIGHTNING
DOCS

AVG. POINTS FOR BRIDGE LOANS

JAN-OCT 2025



COUNTIES >10.43% NATIONAL AVERAGE WITH >20 LOANS IN Q3 2025

State	County	Average Interest	Average Amount
California	Riverside, CA	10.75%	\$768,975
	Fresno, CA	10.67%	\$309,577
	San Bernardino, CA	10.57%	\$694,429
	Orange, CA	10.50%	\$1,110,288
	Sacramento, CA	10.44%	\$606,710
Florida	Charlotte, FL	10.57%	\$309,715
	Duval, FL	10.51%	\$555,538
	Brevard, FL	10.47%	\$367,013
Texas	Dallas, TX	10.89%	\$666,225
	Bell, TX	10.83%	\$201,675
	Tarrant, TX	10.74%	\$477,294
Connecticut	New Haven, CT	11.20%	\$685,549
	Hartford, CT	10.79%	\$656,472
Michigan	Wayne, MI	12.22%	\$172,039
	Oakland, MI	11.03%	\$348,862
North Carolina	Catawba, NC	11.38%	\$319,573
	Durham, NC	10.76%	\$687,789

State	County	Average Interest	Average Amount
New Jersey	Essex, NJ	10.89%	\$800,828
	Monmouth, NJ	10.62%	\$858,453
Ohio	Cuyahoga, OH	10.88%	\$298,035
	Summit, OH	10.52%	\$127,928
Pennsylvania	Philadelphia, PA	10.75%	\$376,872
	Allegheny, PA	10.63%	\$270,465
Alabama	Jefferson, AL	11.24%	\$373,889
Arizona	Maricopa, AZ	10.77%	\$1,285,355
Georgia	DeKalb, GA	10.80%	\$351,175
Hawaii	Hawaii, HI	10.70%	\$433,945
Illinois	Cook, IL	11.00%	\$547,457
Indiana	Marion, IN	11.17%	\$241,746
Massachusetts	Bristol, MA	10.63%	\$476,342
Missouri	St. Louis, MO	11.26%	\$383,650
Nevada	Clark, NV	11.51%	\$734,136
New York	Kings, NY	10.68%	\$1,409,595

TOP BRIDGE STATES BY VOLUME

2024-2025 (THROUGH OCTOBER)

2024	2025	
California	California	—
Florida	Florida	—
Texas	Texas	—
Illinois	North Carolina	↑ 2
Georgia	New Jersey	↑ 2
North Carolina	Illinois	↓ 2
New Jersey	Georgia	↓ 2
Massachusetts	Massachusetts	—
Ohio	Pennsylvania	↑ 1
Pennsylvania	Washington	↑ 1

MOST ACTIVE BRIDGE COUNTIES BY VOLUME

2024	Total # Loans	2025 Through 10/31	Total # Loans
Los Angeles, CA	1549	Los Angeles, CA	1477
San Diego, CA	918	San Diego, CA	1217
Cook, IL	681	Cook, IL	611
Miami-Dade, FL	391	Miami-Dade, FL	476
Orange, CA	367	Dallas, TX ↑ 1	469
Dallas, TX	292	Orange, CA ↓ 1	371
Fulton, GA	274	Lee, FL ↑ 1	340
Lee, FL	266	Santa Clara, CA ↑ 1	327
Santa Clara, CA	245	Pinellas, FL ↑ 3	308
Harris, TX	241	Philadelphia, PA ↑ 3	298

TOP BRIDGE MARKET ACTIVITY REPORT

COUNTY	AUG			SEPT			OCT		
	Int Rate	Loan Am	# Loans	Int Rate	Loan Am	# Loans	Int Rate	Loan Am	# Loans
Los Angeles, CA	10.39%	\$1,220,072	147	10.30%	\$1,193,792	154	10.46%	\$1,069,182	165
San Diego, CA	10.09%	\$1,230,996	140	10.07%	\$1,369,277	102	9.90%	\$1,177,490	127
Cook, IL	10.84%	\$604,529	67	10.88%	\$460,211	65	10.55%	\$420,292	77
Miami-Dade, FL	9.97%	\$1,233,335	30	10.22%	\$1,243,103	51	9.69%	\$1,190,241	42
Dallas, TX	11.00%	\$635,009	55	10.78%	\$700,327	58	10.68%	\$538,227	52
Orange, CA	10.40%	\$1,010,937	38	10.17%	\$1,253,376	36	10.35%	\$1,039,492	38
Lee, FL	10.13%	\$252,220	28	10.32%	\$261,932	42	10.15%	\$329,189	35
Santa Clara, CA	9.59%	\$1,445,818	45	8.88%	\$1,341,984	32	9.25%	\$1,390,458	27
Pinellas, FL	10.25%	\$559,082	30	10.17%	\$526,882	31	9.96%	\$580,377	38
Philadelphia, PA	10.77%	\$259,773	28	10.72%	\$241,772	33	10.65%	\$208,749	28

AVERAGE FEES FOR BRIDGE LOANS IN 2025

Average Document Fee

\$1,301

Average Processing Fee

\$1,314

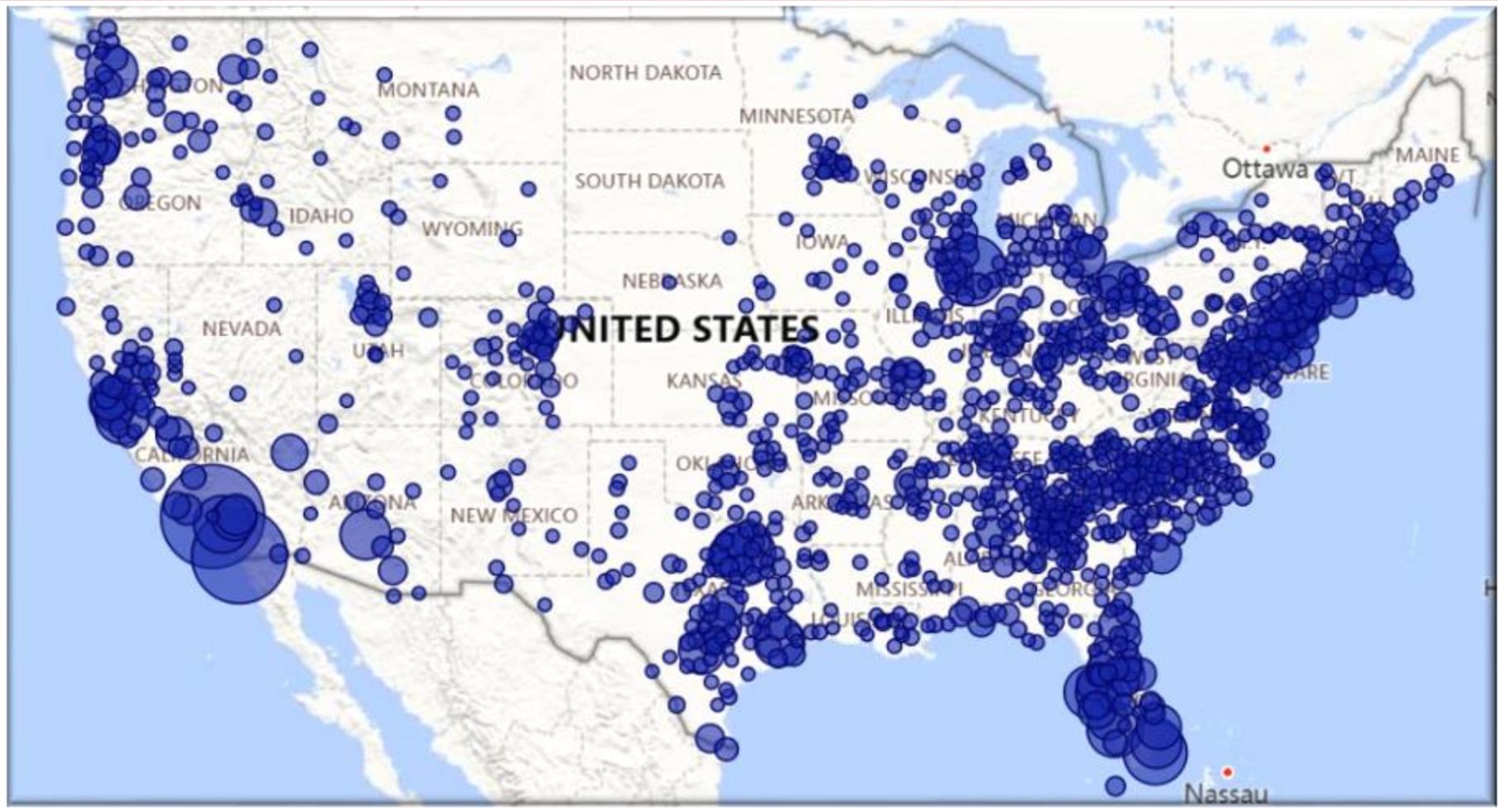
Average Underwriting Fee

\$1,261

Average Wire Fee

\$56

BRIDGE ACTIVITY 2025



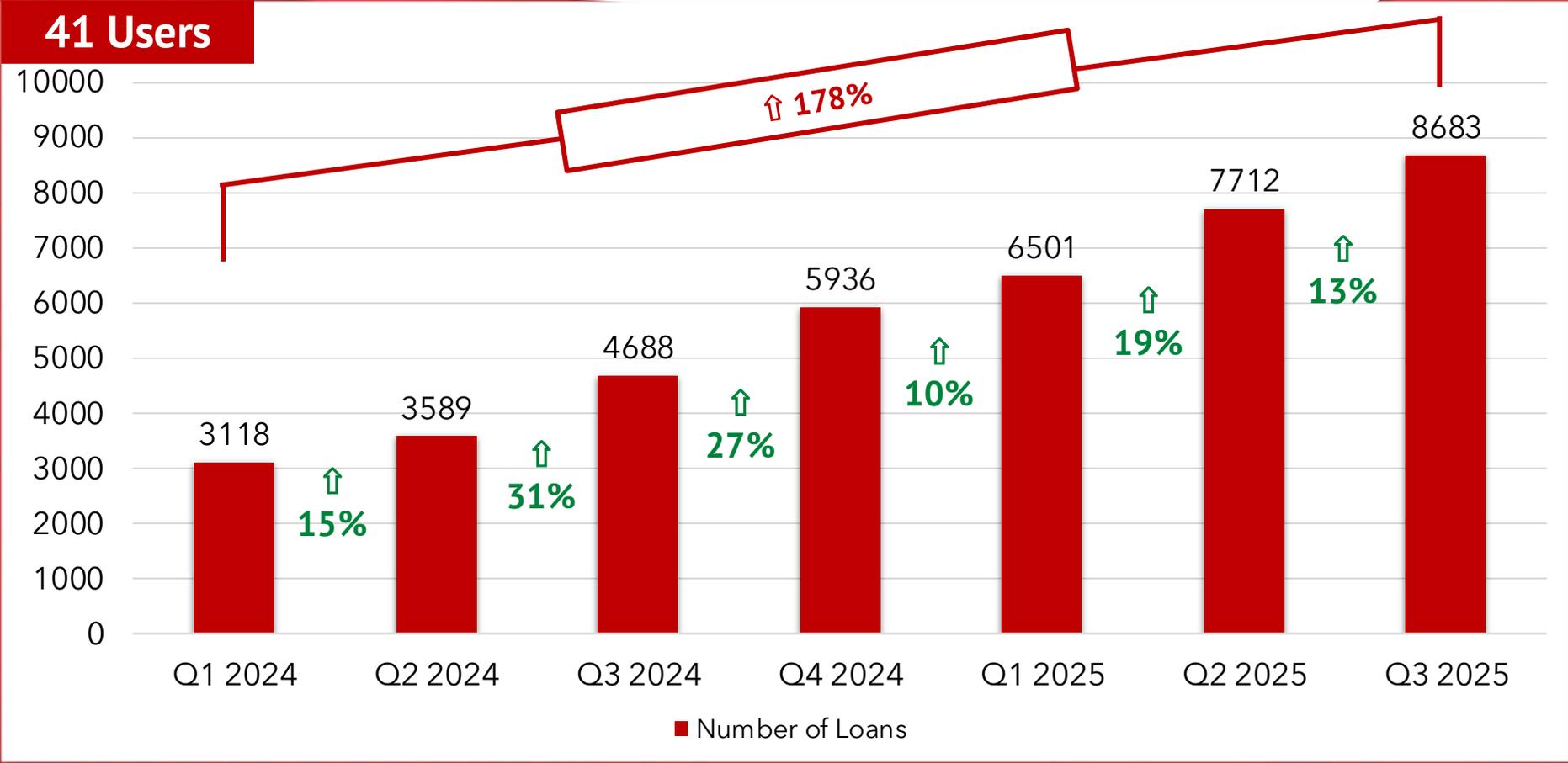
AAPL #16
ANNUAL

FORTRA
LAW
AAPL GENERAL COUNSEL

LIGHTNING
DOCS

DSCR LOAN VOLUMES BY SAME USERS

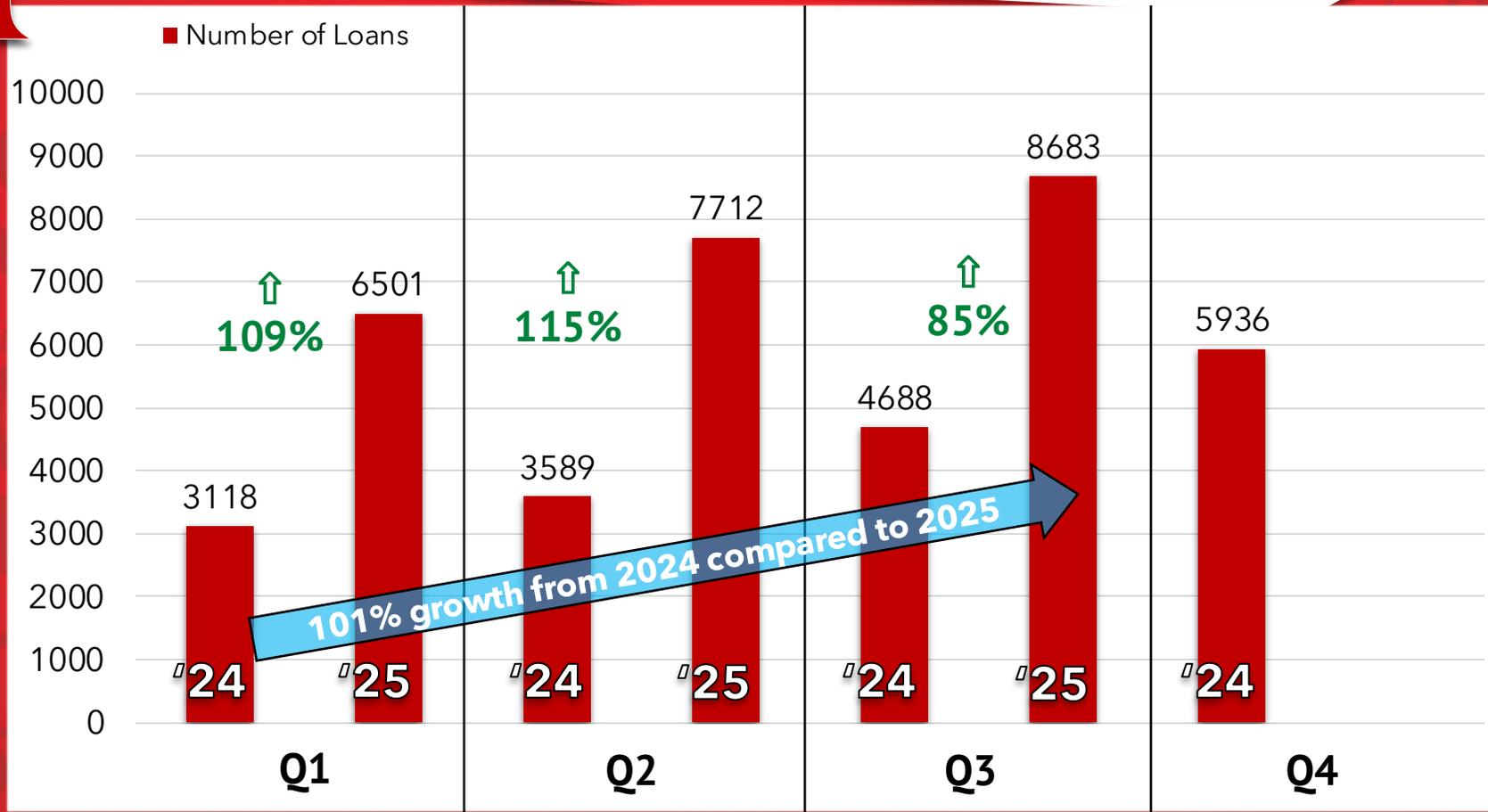
Q1 2024 – Q3 2025



YOY ANALYSIS OF DSCR LOAN VOLUMES

2024 - 2025

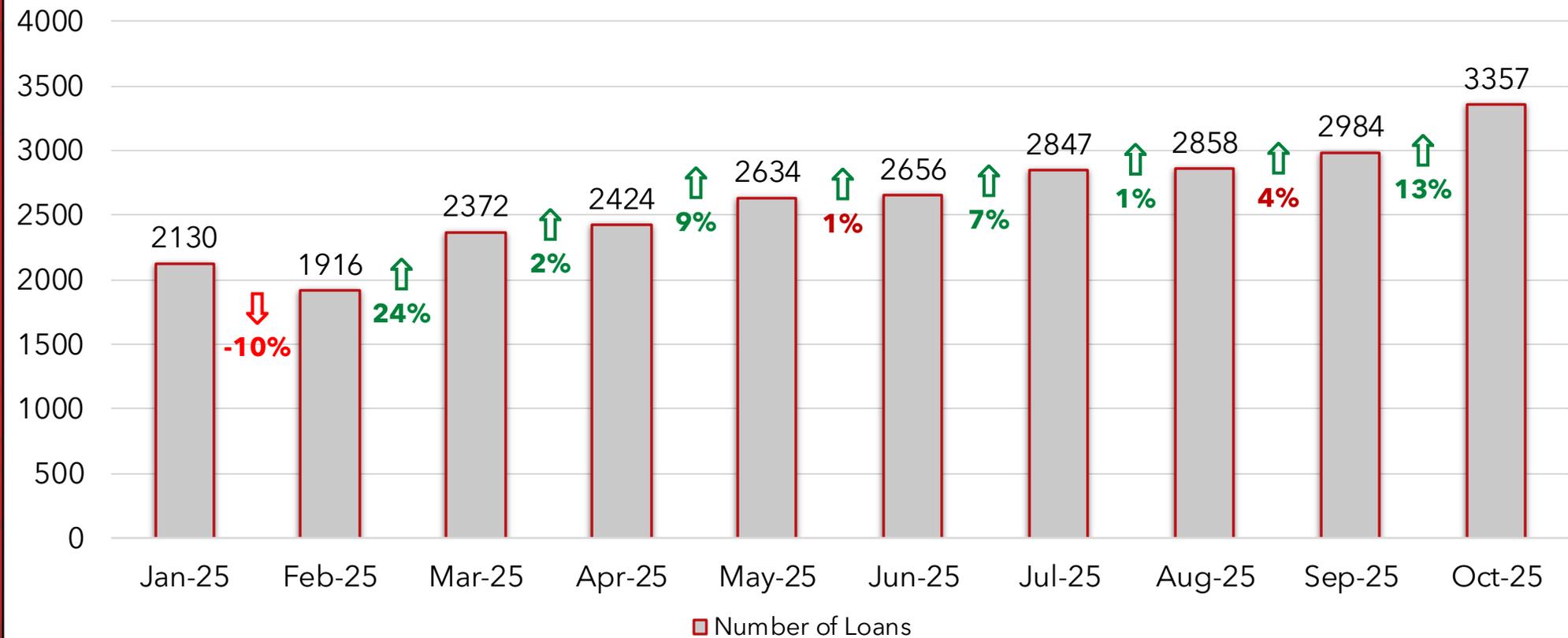
41 Users



DSCR LOAN VOLUMES BY SAME USERS

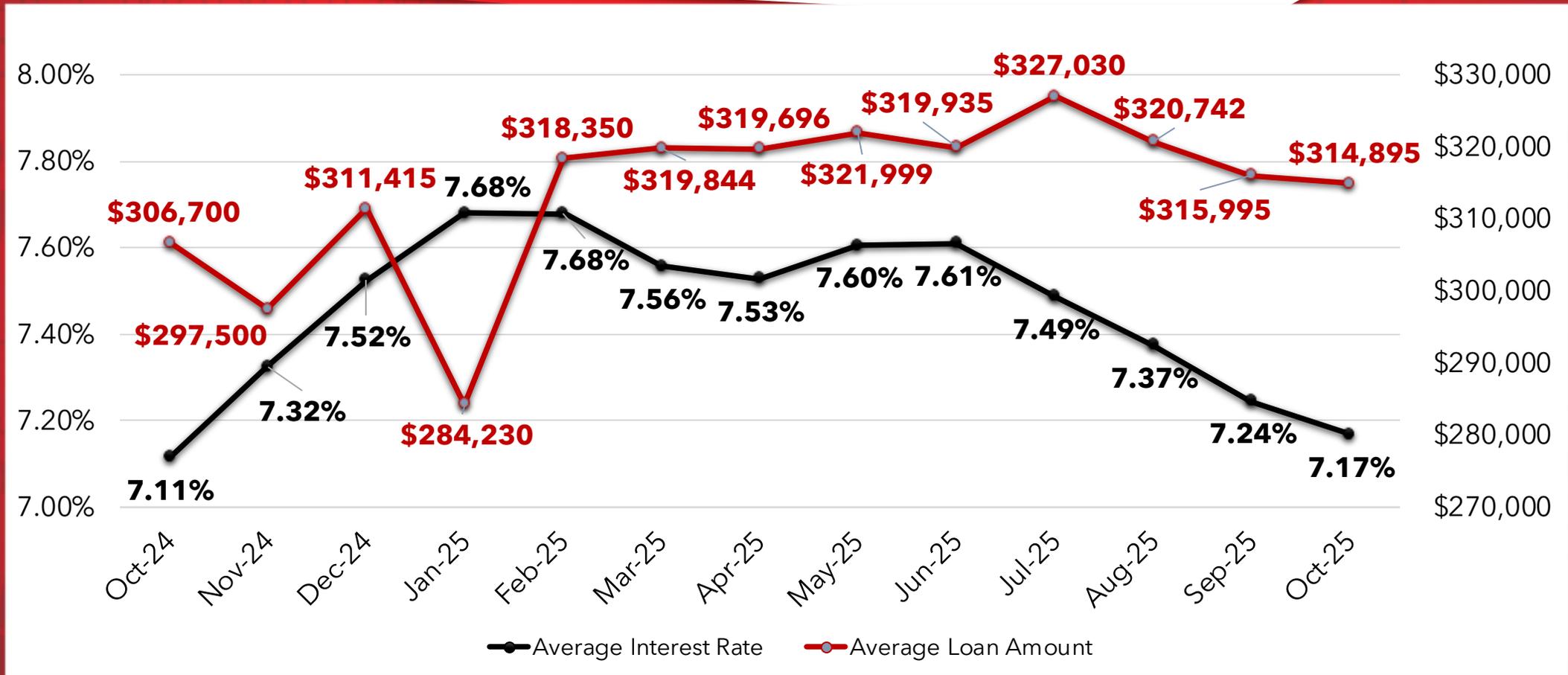
JAN-OCT 2025

46 Users



DSCR RATES & AVG. LOAN AMOUNTS

OCT 2024 – OCT 2025

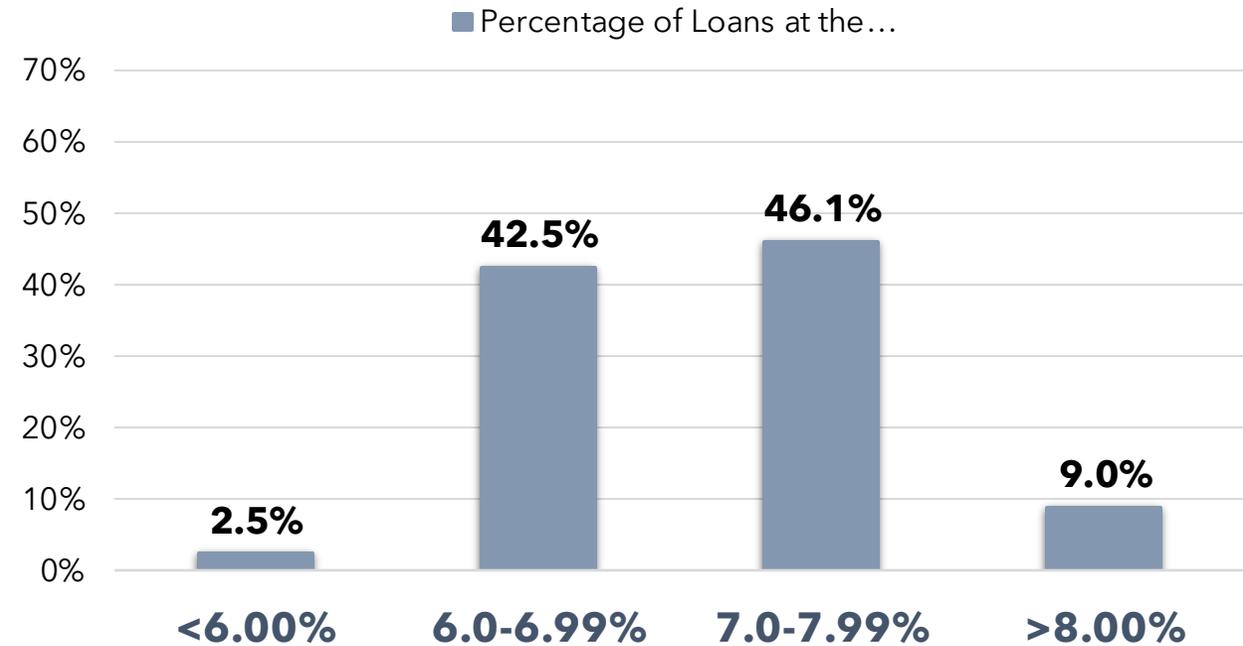


DSCR INTEREST RATES

OCTOBER 2025

Average Int. Rate
for October:
7.17%

89%
Of Loans Were
Between 6-8%



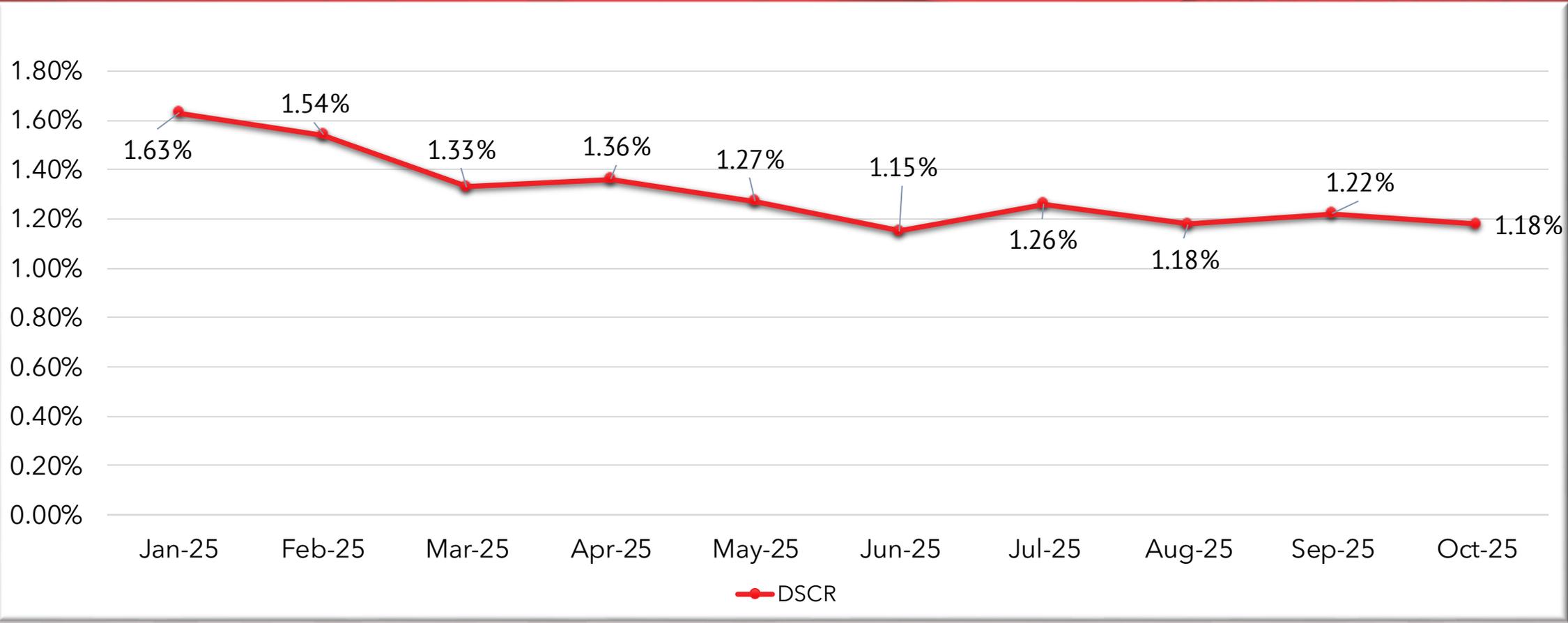
AAPL #16
ANNUAL

 **FORTRA**
LAW
AAPL GENERAL COUNSEL

 **LIGHTNING**
DOCS

AVG. POINTS FOR DSCR LOANS

JAN-OCT 2025



TOP DSCR STATES BY VOLUME

2024-2025 (THROUGH OCTOBER)

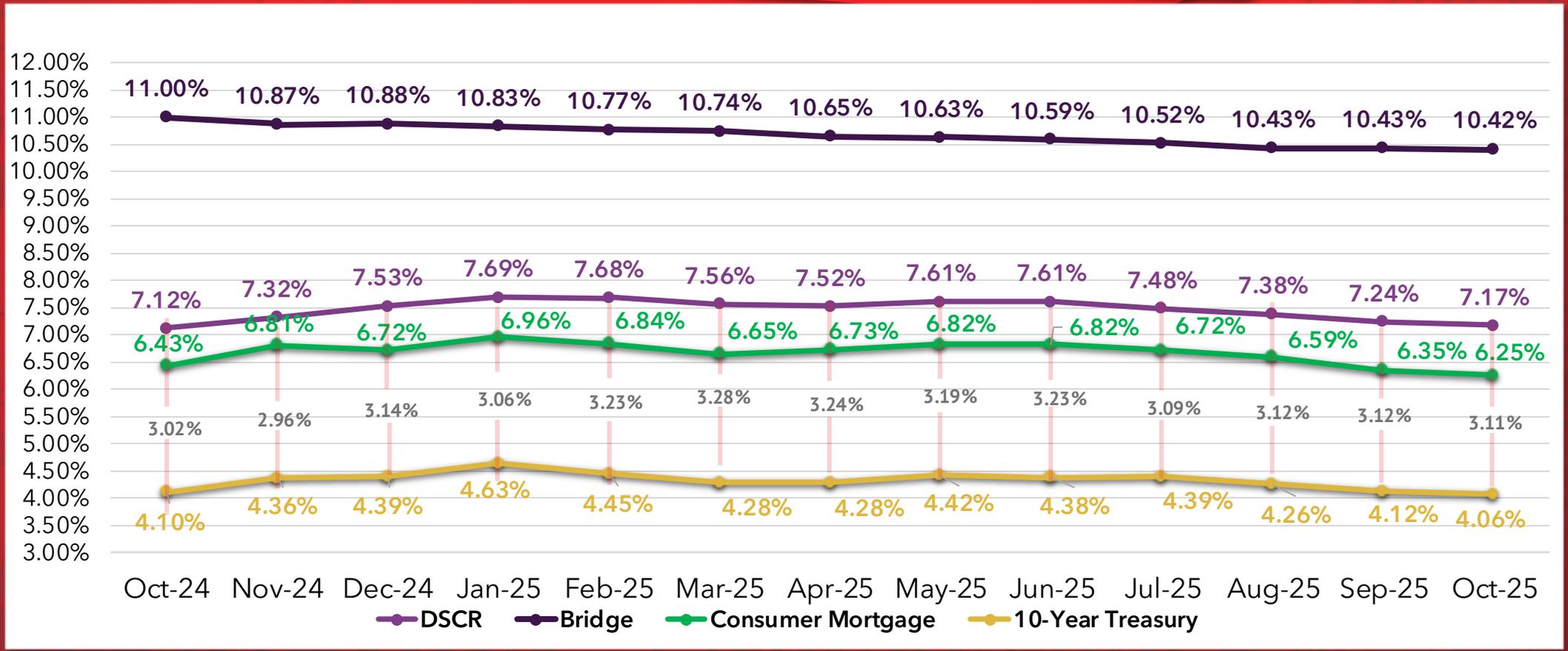
2024	2025
Pennsylvania	Florida ↑ 1
Florida	Texas ↑ 2
Ohio	Ohio —
Texas	Pennsylvania ↓ 3
New Jersey	New Jersey —
Illinois	New York ↑ 2
California	California —
New York	Georgia ↑ 2
North Carolina	Illinois ↓ 3
Georgia	North Carolina ↓ 1

MOST ACTIVE **DSCR** COUNTIES BY VOLUME

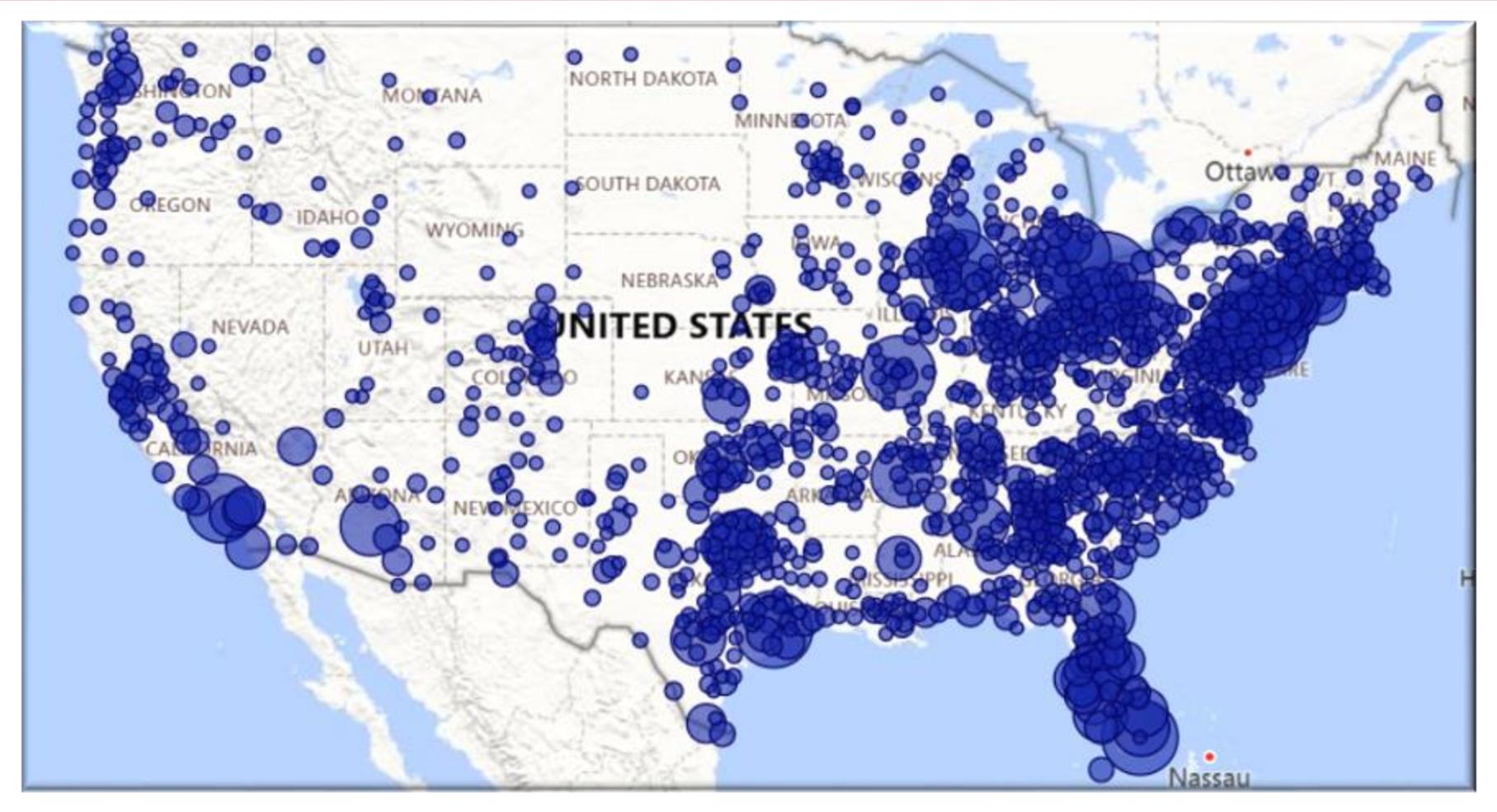
2024	Total # Loans	2025 Through 10/31	Total # Loans
Philadelphia, PA	609	Cuyahoga, OH ↑ 2	900
Cook, IL	553	Philadelphia, PA ↓ 1	759
Cuyahoga, OH	531	Cook, IL ↓ 1	539
Essex, NJ	405	Wayne, MI ↑ 3	515
St. Louis, MO	368	Harris, TX ↑ 3	490
Miami-Dade, FL	300	Miami-Dade, FL	470
Wayne, MI	300	St. Louis, MO ↓ 2	430
Harris, TX	286	Essex, NJ ↓ 4	397
Los Angeles, CA	216	Allegheny, PA ↑ 3	382
Franklin, OH	215	Dallas, TX ↑ 7	381

BRIDGE & DSCR VS INDEXES

OCTOBER 2024 – OCTOBER 2025



DSCR ACTIVITY 2025



AVERAGE FEES FOR DSCR LOANS IN 2025

Average Document Fee

\$793

Average Processing Fee

\$1,206

Average Underwriting Fee

\$1,497

Average Wire Fee

\$54

WHERE WE'RE SEEING OPPORTUNITY

- ➔ Highest average loan volumes
- ➔ Highest average interest rates
- ➔ Markets with rising activity

HIGHEST AVERAGE LOAN AMOUNTS

2025 (THROUGH OCTOBER)

BRIDGE		DSCR	
STATE	AVG. LOAN AMOUNT	STATE	AVG. LOAN AMOUNT
California	\$1,045,372	Hawaii	\$683,431
Washington	\$1,030,945	California	\$632,669
Massachusetts	\$1,024,887	New York	\$579,954
New York	\$993,964	Massachusetts	\$568,610
Arizona	\$937,684	Alaska	\$538,216
Colorado	\$918,337	Rhode Island	\$530,581
Wyoming	\$864,779	Colorado	\$514,107
Utah	\$827,774	District of Columbia	\$499,740
Hawaii	\$772,180	Washington	\$486,792
Rhode Island	\$766,067	Utah	\$466,921

HIGHEST AVERAGE LOAN AMOUNTS

2025 (THROUGH OCTOBER) > 10 LOANS

BRIDGE		DSCR	
COUNTY	AVG. LOAN AMOUNT	COUNTY	AVG. LOAN AMOUNT
Wasatch, UT	\$2,560,511	Boulder, CO	\$1,179,803
Kauai, HI	\$2,111,743	Kings, NY	\$1,126,280
New York, NY	\$2,051,614	Maui, HI	\$1,115,368
Newport, RI	\$1,788,146	San Luis Obispo, CA	\$1,113,695
Richmond, NY	\$1,787,643	New York, NY	\$1,007,824
Monroe, FL	\$1,664,004	San Francisco, CA	\$980,075
Williamson, TN	\$1,574,775	Flagler, FL	\$846,041
San Mateo, CA	\$1,564,282	Bronx, NY	\$832,488
Beaufort, SC	\$1,559,257	Los Angeles, CA	\$811,318
Suffolk, MA	\$1,521,087	Monroe, FL	\$804,161

HIGHEST AVERAGE INTEREST RATES

2025 (THROUGH OCTOBER)

BRIDGE		DSCR	
STATE	AVG. INT. RATE	STATE	AVG. INT. RATE
Kansas	12.10%	Alaska	7.70%
Michigan	11.95%	Iowa	7.68%
Maine	11.74%	Minnesota	7.67%
Nevada	11.35%	Illinois	7.66%
Missouri	11.35%	New Mexico	7.64%
Wisconsin	11.29%	Michigan	7.62%
Montana	11.17%	Wyoming	7.60%
Mississippi	11.12%	Connecticut	7.57%
West Virginia	11.10%	Pennsylvania	7.57%
Wyoming	11.07%	Nevada	7.55%

HIGHEST AVERAGE INTEREST RATES

2025 (THROUGH OCTOBER) >10 LOANS

BRIDGE		DSCR	
COUNTY	AVG. INT. RATE	COUNTY	AVG. INT. RATE
Wayne, MI	12.31%	Cambria, PA	8.73%
Kankakee, IL	12.26%	Montgomery, NY	8.56%
Lucas, OH	12.16%	Taylor, TX	8.20%
Ingham, MI	12.14%	Walton, FL	8.20%
Davidson, NC	12.07%	Wood, WV	8.09%
Ellis, TX	12.05%	Portsmouth, VA	8.05%
Johnson, TX	11.97%	Stanislaus, CA	8.01%
Bronx, NY	11.90%	Merced, CA	8.01%
Chesterfield, VA	11.84%	Coryell, TX	8.01%
Kaufman, TX	11.81%	Suffolk, MA	7.98%

RISING BRIDGE MARKETS

STATES

- **Growth from Q1 to Q3**
 - Utah – 417%
 - Minnesota – 124%
 - Oklahoma – 122%
 - Tennessee – 92%
 - Oregon – 82%

COUNTIES

- **Growth from Q1 to Q3**
 - Salt Lake, UT – 950%
 - Clark, WA – 300%
 - Durham, NC – 167%
 - Kings, NY – 146%
 - Providence, RI – 142%



RISING DSCR MARKETS

STATES

- **Growth from Q1 to Q3**
 - Hawaii – 282%
 - Oregon – 133%
 - Alabama – 133%
 - Washington – 109%
 - Colorado – 102%

COUNTIES

- **Growth from Q1 to Q3**
 - Davidson, TN – 210%
 - Baltimore City, MD – 137%
 - Passaic, NJ – 130%
 - Jefferson, AL – 97%
 - Orange, FL – 97%



BUSINESS MODEL #1

CO-LENDING / WHOLE OR FRACTIONAL

- **Loan Types:**
 - All of the above (Even high-risk loans)
- **Typical Capital Structure**
 - Self Funding, Using Personal LOCs
- **Ways to Level Up:**
 - HNWI funded Co-Lender/Fractional Investors, Hypothecation or “Investor Notes”
 - Become Balance Sheet Lender (Next Slide)
 - Utilize Secondary Market & TPO Programs

BUSINESS MODEL #1

- **Pros:**
 - Easy to standup (in the right markets)
 - Minimal overhead
 - Simple to Operate
- **Cons:**
 - Difficult to Scale
 - Capital constraints
 - Compliance Troubles
 - In the FORECASA Top 100 – Less than 5% use this model

BUSINESS MODEL #2

BALANCE SHEET LENDER

- **Loan Types:** RTL, DSCR, Mixed with CRE/MF
- **Typical Capital Structure:** One or more of the Following:
 - Debt Fund, WLOCs, Investor Notes
- **Ways to Level Up:**
 - RIAs, Institutional JVs
 - Utilize Secondary Market and TPO Programs (liquidity and enhanced originations)
 - Securitization (At Highest Level)

BUSINESS MODEL #2

- **Pros:**
 - Independence
 - Increased Funding Capacity
 - Flexibility
- **Cons:**
 - Still Capital Constrained
 - Cost of Capital
 - Costs of Operation / Portfolio Management / Investor Relations
 - Burdens of Growth (Volume!)

BUSINESS MODEL #3

MORTGAGE BROKER/BANKER MODEL

- **Loan Types:** RTL/DSCR only
- **Institutional Underwriting Standards**
- **Capital derived from:**
 - Secondary Market / Short Term LOC / TPO programs
- **Ways to Level Up**
 - Add Fund / Balance Sheet (Institutional Option)
 - Institutional Partnerships
 - M&A

BUSINESS MODEL #3

- **Pros:**
 - High volume capabilities (Capital Markets driven)
 - Little balance sheet risk
 - Loans highly bankable
- **Cons:**
 - Double Edged Sword that is Capital Markets
 - Limitations to Capital Markets Lending Guidelines
 - Burden to scale Nationally

MIX & MATCH = SUCCESS

- **Today's Market** – the best and brightest in the industry have a variety of these tools in their toolkit:
 - **90%** have some type of balance sheet lending capacity
 - **Over 50%** follow a mortgage banking model – meaning they are subject to capital markets / institutional investor standards
 - **Over 50%** are Balance Sheet Lenders as the primary mode of funding

ARE WE BECOMING NON-QM?

- Arguably NO.
- Only 16 out of the Forecasa Top 100 are “Institutional”
- They represent approximately 28% of Total Market Share based on Units according to Forecasa
- What does this mean? Private Lending is still very fragmented.

KEY TAKEAWAY

- Success **does not** depend on Business Model
- The shared facts of the Forecasa Top 100
 - Direct Lenders
 - Balance Sheet Discretion (Mixed)
 - Utilize Leverage / Secondary Market / Institutional Relationships

Q&A ASK NOW OR E-MAIL LATER



KEVIN KIM, ESQ.
K.KIM@FORTALAW.COM



NEMA DAGHBANDAN, ESQ.
NEMA@LIGHTNINGDOCS.AI

AAPL[#]16
ANNUAL



FORTRA
LAW
AAPL GENERAL COUNSEL



LIGHTNING
DOCS