LOW BARRIER LENDING

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The No-License Loophole

How to broker business-purpose loans to real estate investors, and get paid on your first deal, without an NMLS license or startup money.

Jaelen Churchill · Founder & CEO, Low Barrier Lending

Eliminating the barriers to unlock real estate capital.

ONE CLOSED DEAL CHANGES EVERYTHING.
Read this guide, then sign up for The Loophole Masterclass this Friday: watch me take a real deal from lead to a $12,875 check, live on Zoom. Reserve your seat: Link not working? Go to bplacademy.netlify.app/masterclass.html

START HERE

From bankruptcy to business funding.

I didn't get into lending because it looked fun. I got into it because I had no other choice.

I was a first-time real estate investor. My first year, I bought three rental properties and gained the confidence to start flipping. Then in 2024 the market shifted. I had three flips on the market that weren't selling, I was over budget on the rehabs, interest rates went up, and Houston became a buyer's market overnight.

With six mortgages to pay, holding costs and a child to take care of, I was forced to file bankruptcy to try to save my properties. I spent a year struggling financially.

> ## "I've been the investor who needs the money."

Then I remembered business-purpose lending. Before investing, I'd spent years in commercial loan operations with a BBA in Finance, so I knew what underwriters look for and how the money moves. Real estate investors need money constantly, and most of it comes from **private lenders making business-purpose loans**. Brokering those loans doesn't require an NMLS license.

> **No license. No startup money. Nothing to lose.** I made $50,000 in my first six months, before I'd filed an LLC or built a website. That became **Low Barrier Lending**: eliminating the barriers to unlock real estate capital. Today LBL funds real estate investors nationwide, consistently does $50K a month, and my LLC isn't even a year old.

One closed deal changed everything for me. If I could do it starting from bankruptcy, you can do it starting from wherever you are. In this guide you'll learn:

- What business-purpose loans are, and why they're a different world from government-backed mortgages
- Why brokering them doesn't require an NMLS license
- The 5 loan products investors need
- How much one deal can pay you
- The 7 steps from zero to your first funded deal

PART 1

What a business-purpose loan is (and isn't)

There are two worlds of real estate lending. Most people only know the first one.

	Government-backed home loans	Business-purpose loans
Examples	FHA, VA, USDA, and conventional loans sold to Fannie Mae and Freddie Mac	DSCR, fix & flip, bridge, construction, small-balance commercial
Who funds them	Banks and mortgage companies, insured or bought by government agencies	Private lenders, debt funds and investors. **No government backing**
Who they're for	People buying or refinancing the home they live in	Investors buying, fixing, renting or building property they **don't** live in
Borrower	An individual	Usually an LLC or other entity
Qualified on	Personal income: W-2s, tax returns, debt-to-income	The deal. For **DSCR loans**, the property's rent, not the borrower's paycheck. Flip, bridge and construction loans look at value, rehab plan and experience.
Rules built for	Protecting consumers	Business deals between professionals

In one sentence

> A business-purpose loan is **private money lent to a real estate investor for an investment property**, qualified on the deal. With a **DSCR loan**, that means the property's rent qualifies the loan instead of the borrower's paycheck: no W-2s, no tax returns.

Because these loans aren't government-backed, private lenders write their own guidelines and compete for good deals. That's why investors who can't (or don't want to) qualify for a bank loan still get funded every day, and why they need someone who knows which lender says yes. That's the broker. It's exactly what we do every day at Low Barrier Lending, and it's why one closed deal changes everything.

Why there's no NMLS license (the loophole)

Federal mortgage licensing (the SAFE Act and the NMLS system) was built for **consumer** home loans: money borrowed for personal, family or household use, secured by a home. Loan officers on government-backed and conventional home loans need that license.

Federal consumer lending laws, like the Truth in Lending Act, don't cover credit extended **primarily for a business purpose**. An investor buying a rental, flipping a house or building to sell is borrowing for business. Different purpose, different rules.

What makes a loan business-purpose

- The property is **non-owner-occupied**: an investment, not the borrower's home.
- The money is used for a business: buying, renovating, renting out or refinancing an investment property.
- The borrower usually closes in an **LLC** and signs a **business-purpose and occupancy certification** at closing.

What you can't do

- Help someone buy or refinance the home they live in. That's a consumer loan and needs a license.
- Let a borrower call an owner-occupied home an "investment." That's occupancy fraud, and it's on them and you.

> **Check your state.** A few states regulate commercial and business-purpose loan brokers with their own license or registration (California is the best-known example). Look up your state's rules before you take your first fee.

PART 2

The 5 loans investors need

You don't lend your own money. You match an investor with a lender that funds their kind of deal, and you get paid at closing.

Product	Who it's for	How it's qualified
DSCR	Buy-and-hold investors buying or refinancing rentals	The property's rent covers the payment. Usually no personal income docs.
Fix & Flip	Investors buying, renovating and reselling	Purchase price, rehab budget and after-repair value (ARV), plus experience.
Bridge	Investors who need fast, short-term money to close or reposition	Value of the property and the exit plan (sale or refinance).
Ground-Up Construction	Builders putting up new homes or small projects	Land, plans, budget, builder experience and completed value.
Small-Balance Commercial	Investors buying mixed-use, small multifamily, retail and similar	Property income, value and the borrower's experience.

> Most new brokers start with **DSCR** and **Fix & Flip**. They're the most common requests and they close fast. Every one of these loans pays the broker at closing, and **one closed deal changes everything**.

PART 3

How you get paid

Brokers usually earn two ways on the same loan:

1. **Origination points.** A fee the borrower pays at closing, quoted as a percent of the loan. One point = 1% of the loan amount.
2. **Lender compensation (YSP).** Some lenders pay the broker for bringing the loan, often tied to the rate.

A real deal: New Haven, CT, closed October 26, 2026

Business-purpose loan on a 2-unit rental: **$396,000**
Broker compensation (3 points): $396,000 × 3% = **$11,880**
Processing fee: **$995**
Paid to Low Barrier Holdings at closing: $12,875

That's one file, straight off the settlement statement (you'll see it on the next pages). Your fee shows on the closing statement and is paid out by the title company. It doesn't come out of your pocket or wait on an invoice.

One closed deal changes everything. The fastest loan I've ever closed at Low Barrier Lending took **72 hours**. Now imagine a $12,875 check like this one in 72 hours, once you fully understand the framework and the process.

Now multiply it. Two deals a month at that size is $25,750. The question isn't whether the money is there. It's whether you know how to get a deal to the closing table. That's Part 4.

Actual results from one Low Barrier Lending deal. Points, fees and lender comp vary by lender, product and deal. Results aren't typical or guaranteed.

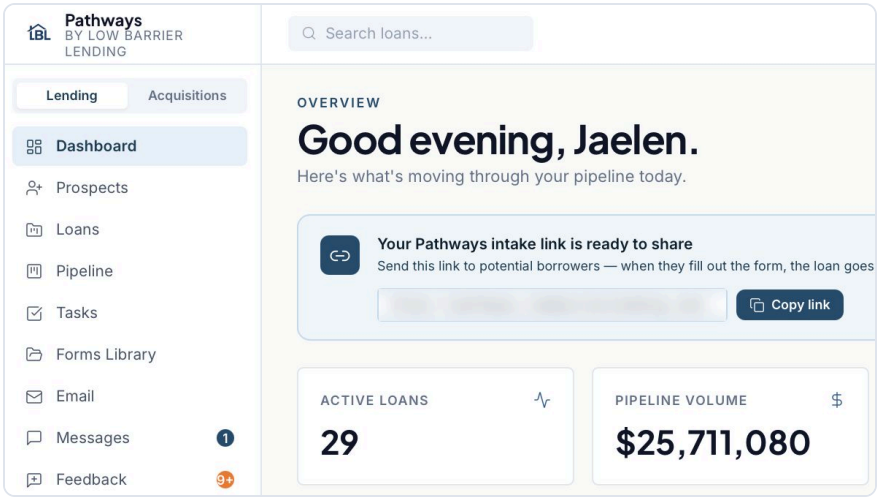
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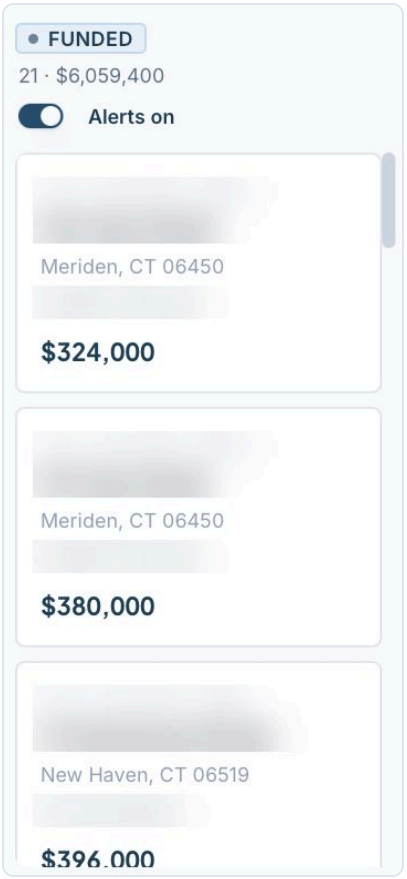
This isn't theory. It's my pipeline.

Real screenshots from Pathways, the loan system we run Low Barrier Lending on. Borrower names and addresses are blurred for privacy.

Funded in 2026	Pipeline volume	Active loans
~$10M	$25.7M	29

Pathways launched this year and shows 21 of those loans ($6.06M)





One closed deal changes everything. Every one of those funded loans paid at the closing table. In the Masterclass I break down real deals like these, step by step.

THE RECEIPTS

$12,875 on one loan. Here's the closing statement.

The ALTA settlement statement from the New Haven deal. Names, addresses and file details are blurred. The highlighted lines are what Low Barrier Holdings was paid at closing.

ALTA Combined Settlement Statement

File #:
Print Date & Time:
Attorney:
Settlement Location:
Property New Haven, CT 06519
Buyer
Seller
Lender
Settlement Date 10/26/2026
Disbursement Date 10/26/2026

Seller Debit	Seller Credit		Buyer Debit	Buyer Credit
		Financial		
	$495,000.00	Sale Price of Property	$495,000.00	
		Loan Amount		$396,000.00
		Lender Credit		$495.00
		Prorations/Adjustments		
	$1,144.39	City/Town Taxes 10/26/2026 to 12/31/2026	$1,144.39	
$334,000.00		Escrow		
$337.50		Rent Adjustment Unit 1 $1,125.00		$337.50
$577.53		Rent Adjustment Unit 2 $1,925.00		$577.53
		Loan Charges		
		Broker Compensation to Low Barrier Holdings	$11,880.00	
		Processing Fee to Low Barrier Holdings	$995.00	
		Underwriting Fe	$1,995.00	
		Appraisal Fee to Settlement One Valuation ($925.00 POC by Borrower)		
		Appraisal Review Fee to Clear Capital	$127.00	
		Credit Report Fe	$175.80	
		Doc Prep Fee to	$225.00	
		Entity Review Fe	$350.00	
		Tax Service Fee t	$95.00	
		Prepaid Interest ($86.69 per day from 10/26/2026 to 11/01/2026)	$527.93	

One closed deal changes everything. $11,880 + $995 = **$12,875**, paid by the title company at the closing table.

PART 4

Why most new brokers never close a deal

One closed deal changes everything, but only if you can get it to the closing table. Knowing the loophole is the easy part. Here's where people get stuck.

1 They can't tell a good deal from a dead one

Every underwriter runs the same four numbers on every file: **DSCR, LTV, LTC and ARV**. If you can't run them in five minutes on the phone with a borrower, you'll spend weeks on deals that were never going to fund, and the investor stops calling you.

2 They send the deal to the wrong lender

Every private lender writes its own guidelines: credit, reserves, seasoning, property type, loan size, experience. A great borrower at the wrong lender is a decline. The brokers who get paid know which lender says yes to which situation *before* they submit.

3 They don't know how to package and protect the file

What goes in the submission, what the borrower signs first, and how you make sure your fee shows up on the closing statement. Skip this and you either get declined or get cut out.

I learned this in commercial loan operations and use it every day at Low Barrier Lending. **In the Masterclass I walk you through each one, step by step, on real deals.**

PART 5

Zero to funded: the 7 steps

This is the exact path from where you are right now to your first broker check. In the Masterclass, you'll watch every one of these steps happen on a real closed deal.

#	Step	What it means
1	**Set up to get paid**	The business basics and the one document every borrower signs before you send their file anywhere
2	**Learn the deal math**	DSCR, LTV, LTC and ARV: the four numbers that decide yes or no
3	**Learn lender and underwriter guidelines**	What underwriters check line by line, and the situations that kill a file
4	**Build your lender panel**	Which lenders accept brokers, what each one funds, and how to get approved with them
5	**Find investors who need money**	Where borrowers already are, and what to say so they send you their deals
6	**Qualify and package the deal**	The first-call questions and the submission package lenders want
7	**Close and get paid**	From term sheet to closing table, with your fee on the closing statement

> Step 7 is the one that changes everything: your first closed deal. Most people stall between steps 2 and 4, so that's where the Masterclass spends the most time.

LIVE ON ZOOM · 2 HOURS

The Loophole Masterclass

Sign up for the Masterclass this Friday · 7:00 PM Central · Live on Zoom · $97

This guide showed you the loophole. In the Masterclass, you watch me use it. I'll pull up a real closed deal from my pipeline, the $12,875 one in this guide, and walk you through the whole journey, live:

- Where the lead came from, and the first call with the investor
- The numbers, and why I chose that lender over the others
- The objections, and exactly how I handled them
- What I charged, how to decide what to charge, and how and when I got paid
- How to find your first deal like it, plus live Q&A

Reserve my seat · $97 →

Link not working? Go to bplacademy.netlify.app/masterclass.html

One closed deal changes everything. A single business-purpose loan can pay a broker more than $10,000 at closing, and my fastest close took 72 hours. The Masterclass is $97.

Included: 2 hours live on Zoom, live Q&A, 7-day replay access and the Masterclass slides as a PDF to keep.

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Jaelen Churchill · Low Barrier Holdings LLC · 3050 Post Oak Blvd, Suite 510, Houston, TX 77056 · lowbarrierlending.com
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