



PrivateMortgageGroup

PMG Fund I, LLC

Table of Contents

1. Overview
2. Management Team
3. Product Description
4. Product Performance
5. Loan Lifecycle
6. Financial Projections
7. Offering Details
8. Disclosure
9. Contact
10. Appendix: ITIN Program Matrix



Overview



Private Mortgage Group LLC

Private Mortgage Group ("PMG") has successfully implemented a proprietary Individual Taxpayer Identification Number ("ITIN") residential loan program through the origination, financing, and sale of ITIN loans.

Founded in 2010, PMG has successfully originated and sold over \$100M in residential ITIN mortgages to insurance companies, regional banks and private mortgage funds.

PMG is currently offering its ITIN loan program to mortgage bankers and brokers throughout the state of Texas to serve the growing Hispanic population.

In the years to come, PMG plans to aggressively expand originations throughout the state and expand to CA, AZ, NV, NM and FL.



PMG Fund I, LLC

The combination of PMG personnel and institutional fund management provides a unique opportunity for investors to capitalize on the formidable residential ITIN market. Investors in the fund will benefit from high current yields paid monthly and have the ability to redeem their capital on a quarterly basis.

Invested capital within the fund will function as a revolving warehouse line for PMG to fund its monthly loan originations – replenishing each month following the sale of pre-assigned mortgage pools to secondary market buyers.

PMG has already developed forward flow purchase agreements with regional banks, insurance companies and private mortgage funds. However, PMG will continually work to develop its secondary-market ecosystem for consistent execution and pricing on the sale of its mortgage pools.

Management Team



Carol Ussery

Carol Ussery is the Founder and President of CarolCorp Inc. NMLS #1785991 dba Private Mortgage Group (“PMG”) and has been an active real estate practitioner for nearly 30 years. Prior to her real estate career, Mrs. Ussery obtained the rank of Sergeant in the United States Army where she served for 8 years through Desert Storm and Desert Shield. Throughout her real estate career, Mrs. Ussery has held roles spanning loan origination, underwriting & processing, loan servicing and brokerage all while serving thousands of homeowners and investors throughout Texas. Mrs. Ussery founded PMG in 2010 to offer compelling residential financing options to foreign-national borrowers who have traditionally been underserved by most mortgage lenders. PMG’s loan programs are based on rigorous underwriting standards, the borrower’s ability to repay and possess a meaningful down payment requirement from the borrower (>15% on average).



Patrick Duffy

Patrick Duffy is the Founder and CEO of Tactical Asset Management, LLC (“TAM”), a private equity firm focused on the acquisition of multifamily residential properties and alternative credit investments. Prior to founding TAM, Mr. Duffy held both acquisition and asset management roles at Think Multifamily, LLC, where he led the origination efforts on over 2,100 units and oversaw asset management across 5,000 units within the portfolio. To-date, TAM and its predecessors have acquired 4,386 units and currently hold 3,671 units within the portfolio. Prior to becoming a full-time investor and fund manager, Mr. Duffy held structured finance and capital markets roles with an emphasis on private credit trading and securitization at Opus Bank, 5 Arches, LLC and HMC Assets, LLC. Mr. Duffy is a graduate of Harvard University.



Apex Group

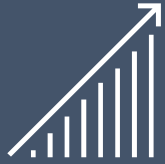
Apex Group is our trusted fund administrative partner providing a fully integrated and secure solution to managing and allocating investment funds. Apex is ranked #2 globally in fund administration and currently services \$2.75 trillion in assets for fund managers.



August REI

AugustREI is a nationally registered, bonded and insured, state licensed residential mortgage loan servicing company based in Garland, TX. Founded in 2011, AugustREI services over 4,890 loans (\$473M in UPB/<1.8% default rate). AugustREI specializes in servicing the residential ITIN product with a fully bilingual staff available to work directly with borrowers on their monthly payments.

Product Description



90% LTV ITIN (Individual Tax Identification Number) loans have gained in popularity since the broader acceptance of Non-QM.



ITINs are for borrowers who are not eligible for a Social Security number. ITIN Borrowers are typically small business owners who document their income based on bank statements as opposed to W-2. Having an ITIN allows the holder to pay taxes as required by Federal law if U.S. income is earned.



An ITIN does not authorize an individual to work in the U.S. or give them the right to Social Security Benefits, thus the reason many ITIN Borrowers become small business owners.



Having an ITIN also gives the holder the opportunity to establish a credit score and apply for a loan.

It is estimated that more than **30 million** individuals could benefit from an ITIN loans. However, many ITIN holders do not turn to traditional financing as they fear they do not qualify for these services despite filing a federal income tax return.

ITIN Product Performance

ITIN borrowers are good payers with low default rates and have a strong track record through various economic cycles.

PMG has partnered with August REI, a nationally registered, state licensed residential mortgage loan servicing company, to service its portfolio.

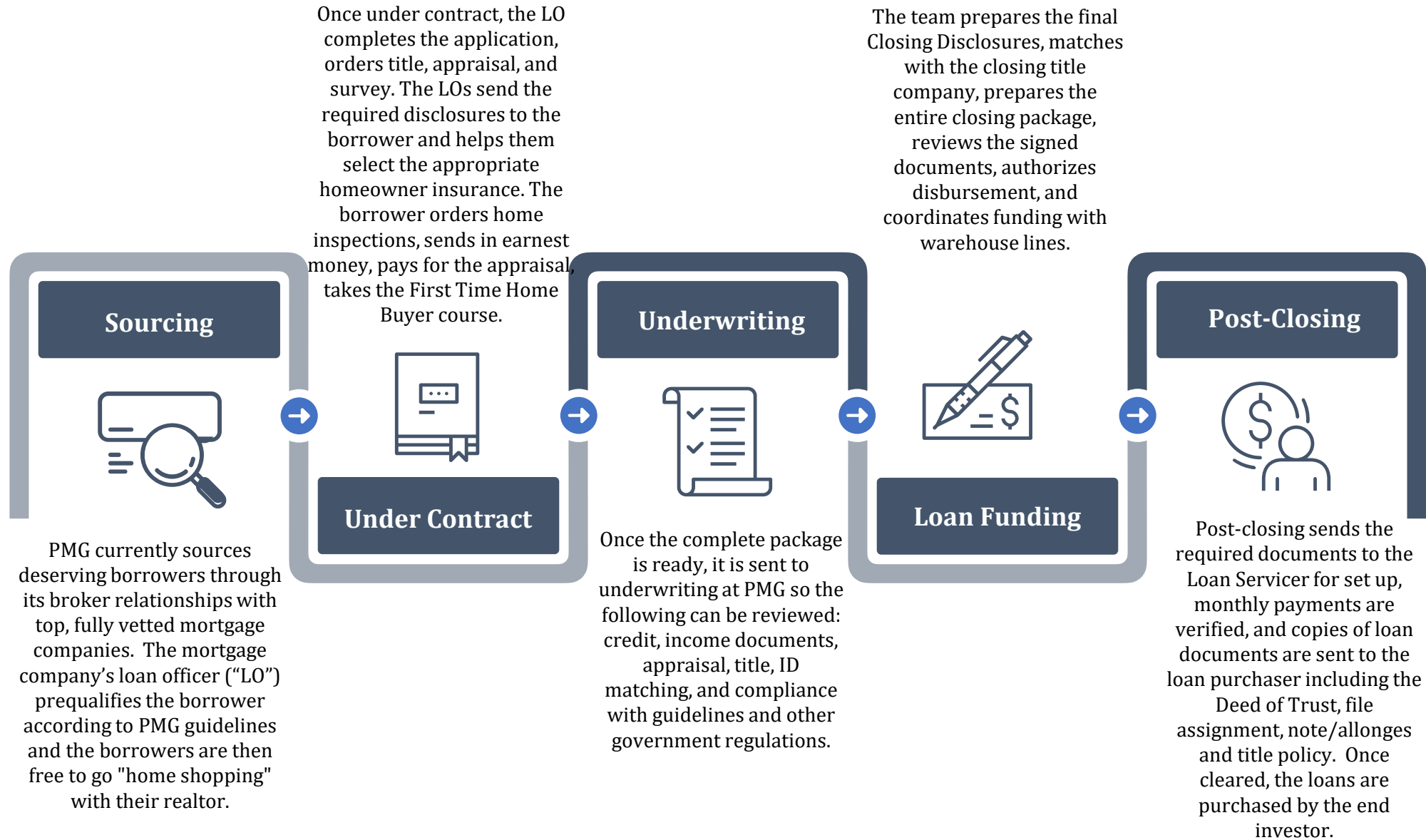
The adjacent table contains performance statistics for all PMG loans serviced by AugustREI dating back to 2011.

Since 2011, there has only been 1 foreclosure out of the 278 loans originated – less than 1% default rate

PMG Data (AugustREI Serviced Loans)	
Loans Originated (\$)	\$48,565,958
Loans Originated (N)	278
Loans Outstanding (\$)	\$30,413,901
Loans Outstanding (N)	169
Average Loan Balance	\$174,697
Average Note Rate	9.31%
Average Duration (Payoffs)	29 months
Foreclosures (N)	1*

**This loan was originated in Oct 2016 and was paid off in-full in Nov 2018*

Loan Lifecycle



Financial Projections – Year 1

PMG Fund I - Year 1 Forecast		4/1/23	5/1/23	6/1/23	7/1/23	8/1/23	9/1/23	10/1/23	11/1/23	12/1/23	1/1/24	2/1/24	3/1/24	Year 1 Total
Loan Production														
Capital Deployed (%)		20%	20%	40%	40%	60%	60%	80%	80%	100%	100%	100%	100%	
Fund Equity	\$ 25,000,000	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	\$ 10,000,000	\$ 15,000,000	\$ 15,000,000	\$ 20,000,000	\$ 20,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
Funding Volume		\$ 4,000,000	\$ 4,000,000	\$ 7,500,000	\$ 7,500,000	\$ 11,250,000	\$ 11,250,000	\$ 15,000,000	\$ 15,000,000	\$ 18,750,000	\$ 21,250,000	\$ 21,250,000	\$ 21,250,000	\$ 158,000,000
Loans Funded	\$ 300,000	13	13	25	25	38	38	50	50	63	71	71	71	527
Revenue														
PMG Document Fee	\$ 1,995	\$ 26,600	\$ 26,600	\$ 49,875	\$ 49,875	\$ 74,813	\$ 74,813	\$ 99,750	\$ 99,750	\$ 124,688	\$ 141,313	\$ 141,313	\$ 141,313	\$ 1,050,700
PMG Loan Asset Management	1.00%	\$ 3,333	\$ 6,667	\$ 12,917	\$ 19,167	\$ 28,542	\$ 37,917	\$ 50,417	\$ 62,917	\$ 78,542	\$ 96,250	\$ 113,958	\$ 131,667	\$ 642,292
Loan Sale Premium	3.00%	\$ 120,000	\$ 120,000	\$ 225,000	\$ 225,000	\$ 337,500	\$ 337,500	\$ 450,000	\$ 450,000	\$ 562,500	\$ 637,500	\$ 637,500	\$ 637,500	\$ 4,740,000
Total Revenue		\$ 149,933	\$ 153,267	\$ 287,792	\$ 294,042	\$ 440,854	\$ 450,229	\$ 600,167	\$ 612,667	\$ 765,729	\$ 875,063	\$ 892,771	\$ 910,479	\$ 6,432,992
Expenses														
PMG Fund Management Fee	2.00%	\$ (8,333)	\$ (8,333)	\$ (16,667)	\$ (16,667)	\$ (25,000)	\$ (25,000)	\$ (33,333)	\$ (33,333)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (333,333)
Total Expenses		\$ (8,333)	\$ (8,333)	\$ (16,667)	\$ (16,667)	\$ (25,000)	\$ (25,000)	\$ (33,333)	\$ (33,333)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (333,333)
Net Operating Income		\$ 141,600	\$ 144,933	\$ 271,125	\$ 277,375	\$ 415,854	\$ 425,229	\$ 566,833	\$ 579,333	\$ 724,063	\$ 833,396	\$ 851,104	\$ 868,813	\$ 6,099,658
Waterfall														
Fund Preferred Return	15.00%	\$ (62,500)	\$ (62,500)	\$ (125,000)	\$ (125,000)	\$ (187,500)	\$ (187,500)	\$ (250,000)	\$ (250,000)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (2,500,000)
Net Proceeds		\$ 79,100	\$ 82,433	\$ 146,125	\$ 152,375	\$ 228,354	\$ 237,729	\$ 316,833	\$ 329,333	\$ 411,563	\$ 520,896	\$ 538,604	\$ 556,313	\$ 3,599,658

Financial Projections – Year 2

PMG Fund I - 2 Year Forecast		4/1/24	5/1/24	6/1/24	7/1/24	8/1/24	9/1/24	10/1/24	11/1/24	12/1/24	1/1/25	2/1/25	3/1/25	Year 2 Total
Loan Production														
Capital Deployed (%)		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	
Fund Equity	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000	\$ 25,000,000
Funding Volume		\$ 21,250,000	\$ 21,250,000	\$ 21,250,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 22,500,000	\$ 266,250,000
Loans Funded	\$ 300,000	71	71	71	75	75	75	75	75	75	75	75	75	888
Revenue														
PMG Document Fee	\$ 1,995	\$ 141,313	\$ 141,313	\$ 141,313	\$ 149,625	\$ 149,625	\$ 149,625	\$ 149,625	\$ 149,625	\$ 149,625	\$ 149,625	\$ 149,625	\$ 149,625	\$ 1,770,563
PMG Loan Asset Management	1.00%	\$ 149,375	\$ 167,083	\$ 184,792	\$ 203,542	\$ 222,292	\$ 241,042	\$ 259,792	\$ 278,542	\$ 297,292	\$ 316,042	\$ 334,792	\$ 353,542	\$ 3,008,125
Loan Sale Premium	3.00%	\$ 637,500	\$ 637,500	\$ 637,500	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 7,987,500
Total Revenue		\$ 928,188	\$ 945,896	\$ 963,604	\$ 1,028,167	\$ 1,046,917	\$ 1,065,667	\$ 1,084,417	\$ 1,103,167	\$ 1,121,917	\$ 1,140,667	\$ 1,159,417	\$ 1,178,167	\$ 12,766,188
Expenses														
PMG Fund Management Fee	2.00%	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (500,000)
Total Expenses		\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (41,667)	\$ (500,000)
Net Operating Income		\$ 886,521	\$ 904,229	\$ 921,938	\$ 986,500	\$ 1,005,250	\$ 1,024,000	\$ 1,042,750	\$ 1,061,500	\$ 1,080,250	\$ 1,099,000	\$ 1,117,750	\$ 1,136,500	\$ 12,266,188
Waterfall														
Fund Preferred Return	15.00%	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (312,500)	\$ (3,750,000)
Net Proceeds		\$ 574,021	\$ 591,729	\$ 609,438	\$ 674,000	\$ 692,750	\$ 711,500	\$ 730,250	\$ 749,000	\$ 767,750	\$ 786,500	\$ 805,250	\$ 824,000	\$ 8,516,188

Offering Details

Fund Name	PMG Fund I, LLC
Offering Size	\$25,000,000
Minimum Investment	\$100,000
Preferred Return	15%
Distributions	Monthly
Management Fee	2.00% per annum

Disclaimer

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