

5760 Pearson

Powder Springs, GA 30127

Debt

[View Deal Model](#)

Funding Amount: \$262,100

IRR	LTARV	Term (Days)
16.3%	81.1%	358



Offering Details

5760 Pearson is an ongoing Purchase and Renovation project funded by a Groundfloor LRO. The proceeds from this offering will finance an expansion of the renovation scope, yielding a \$310k premium to the previously generated After Repair Value (ARV).

This debt sits at a second lien position relative to the Groundfloor LRO occupying first lien. With a \$310k premium above the pre-renovation ARV, the project offers a significant cushion of \$175k for investors, mitigating exit risk at sale.

Similar to LROs, this second lien offering will not charge any fees to investors.

Data Points

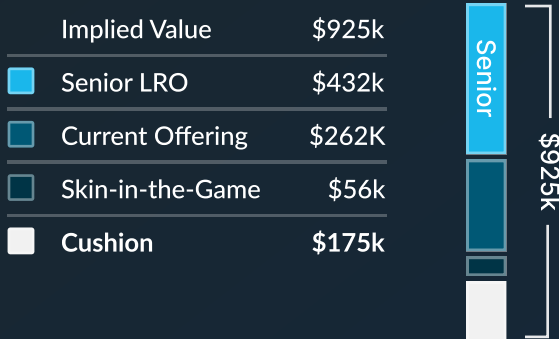
Loan Position	Second Lien
Loan Purpose	Follow-on Financing
After Repair Value (ARV)	\$925,000
Total Debt	\$749,720
Payment Terms	Balloon

Total Funding

\$262k

Debt Financing	\$262k
Listing Fee	\$0
Total	\$262k

Project Waterfall



How it Works

Second Lien Financing presents strategic investment opportunities in the same structure as LROs at a junior (second lien) position.

Funding at a second lien position relative to senior debt, investors are afforded higher return profiles than senior debt instruments.

Underwriting for Second Lien Financing is conducted by the Groundfloor Risk Management team.

FAQs

What is Second Lien Financing?

Second Lien Financing is a provision of capital through debt instruments that are junior to first-lien, senior debt. At Groundfloor Labs, Second Lien Financings are structured in the same format as LROs with no fees charged to investors. Often accompanying pre-existing senior Groundfloor LROs, Second Lien Financing vehicles exhibit the same maturity dates as their senior LRO counterparts to be repaid upon project sale.

Borrowers may utilize this additional capital infusion to replenish working capital between project completion and exit, accelerate project progress, or deploy further capital investments to enhance exit value.

How are Second Lien Financing offerings underwritten?

Second Lien Financing offerings are underwritten by the same Groundfloor team underwriting LROs. Underwriting Second Lien Financings holistically against each project's capital stack, senior debt obligations, and borrower track record, the Groundfloor team identifies opportunities to provide strategic capital within the Groundfloor borrower ecosystem.

Why should I invest in Second Lien Financing offerings?

Second Lien Financing offerings provide greater risk/reward profiles with higher projected investment returns as junior debt instruments relative to senior LROs.

What are my protections?

Second Lien Financing offerings are paid out immediately following the repayment of their senior debt obligations with the same protections afforded by LROs at a second lien position. Each Second Lien Financing offering is underwritten to ensure sufficient cushion in the capital stack to mitigate against exit risk at sale.

For any questions, concerns, new product recommendations, please email labs@groundfloor.us.