Flipping homes for resale is big business. Real estate developers, builders, and contractors have all entered the market, buying properties in need of updating, renovating them, and selling them at a profit soon after. With an average return on investment (ROI) of 38.7 percent, according to the U.S. Home Flipping Report, the profit potential with house flipping is attractive to investors at all levels.

The biggest challenge most real estate buyers and investors face is access to capital. Securing funds to purchase and update properties can be expensive, especially when dealing with smaller lenders who charge double-digit interest rates, explains Matt Rodak, founder and CEO of Fund That Flip. Recognizing that interest rates on unsecured consumer debt were typically lower than collateral-backed loans like real estate gave him the idea for the business.

**EASY ACCESS TO CAPITAL**

Applying his expertise in property risk assessment and experience in real estate investing and peer-to-peer lending, Rodak founded Fund That Flip in 2014. His goal was to provide a more cost-effective and convenient funding source for investment real estate buyers, as well as a potential investment opportunity for qualified investors. The company grew 30x between 2015 and 2019, from $80 million in loan applications from flippers to $2.5 billion. Fund That Flip was also admitted to a prestigious tech incubator program and raised two rounds of venture capital.

Behind that growth was a proprietary technology platform designed to make the application process simpler and faster for customers, explains Rodak. “Bringing technology to the market allowed us to make smart lending decisions,” he says, providing improved data analytics that increases the odds of success and reduces loan defaults.

Focusing on its core market has also served Fund That Flip. “We specialize in short-term loans for the one- to four-family asset class,” Rodak says. That specialization has allowed the company to develop products and services that are a good fit for its customers. The firm has continued to expand its product offerings as customer needs grow, adding new construction loans and developing a rental property loan. That new loan product was created in response to a trend toward renovating and renting, rather than selling, purchased properties. Anticipating what real estate flippers need most drives how the company does business.

“With empathy with our customers,” says Rodak. “We work hard to understand their goals and what they need, and then we develop solutions to meet those needs. Our default response is to say ‘yes’ if it makes sense.”

Those customers also include accredited investors, who can invest in real estate loans through Fund That Flip in $5,000 increments, earning annual interest of 8 to 9.5 percent.

**VALUING EMPLOYEE HUSTLE**

Fund That Flip’s impressive growth trajectory is due primarily to the company’s talented employees. “We got lucky and hired the right people,” he says. The team helped develop core values that support that continued growth, including hard work, unity, success, transparency, learning, and empathy. Together, those words spell HUSTLE, explains Rodak. “HUSTLE helps us maintain our corporate culture and provide a guidepost for decisions,” he says.