

# PeerStreet - \$0 to \$77,089.49 in 5 Months

I wrote about [PeerStreet](#) for the [first time back in March of 2017](#) after I had been invited to visit their HQ and interview their founders. Since then I have aggressively grown my investment accounts with them in a little less than five months. I want to take a deeper dive into the platform and the investments I'm holding in one of my two accounts (it's a self-directed IRA).

## Navigating the Platform

Assuming you have already set up your account (if not, [you can do so here](#)), the first screen you see after logging in is the investments tab that gives you a high-level view of your account as well as available investments:

The screenshot shows the PeerStreet dashboard with the following elements:

- PeerStreet Logo** and navigation menu: Dashboard, Investments (active), Fund Account, Help, Blog, Dominic IRA.
- Account Summary:**
  - Total Account Value: \$70,066.27
  - Interest to Date: \$571.07
  - Available Cash: \$9.27 (with an [Add Funds](#) link)
  - Invite your friends to PeerStreet.** When they invest you both get a 1% YIELD BUMP! [Learn more](#)
- Investment Cards:**
  - Montebello, CA Cash-Out Refinance #5:** Invested: \$2,000. APR: 7.75%, LTV: 60%, Term: 12 Mo. 99% funded by 90 investors. \$2,000 left. [Invest](#)
  - Redmond, WA Acquisition:** APR: 7.00%, LTV: 70%, Term: 11 Mo. 92% funded by 185 investors. \$49,802 left. [Invest](#)
  - Coming Soon:** We post new investments every few days.

One thing I have noticed is that new investments come in waves and it does take

some time to become fully invested. The hard money lending space is a \$16B market, according to the founders of [PeerStreet](#), and they are constantly working on the supply of loans for investors. I can appreciate their challenge of doing this as a new platform, with a growing user base, in a way that does not diminish the quality of the investments that make it through the funnel.

When it comes to making investments, you have two options:

1. You can manually invest in the loans that fit your requirements (I did this for the first seven loans I invested in); or
2. You can set up automated investing (what I do now).

To give you an idea of how long it takes to become fully invested, my initial deposit into my self-directed IRA was \$50,000 and it took about three weeks to become fully invested with the following automated investment criteria:

## Automated Investing

Tell us how much you'd like to invest and our Automated Investing tool will handle the rest.



Broaden your investment options.

Increase Opportunities

### Interest Rate

All	7%+	8%+	9%+	10%+
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### Loan-To-Value (LTV)

Up to 75%	Up to 70%	Up to 65%	Up to 60%
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### Loan Term (months)

Up to 60	Up to 24	Up to 12
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### Investment Per Loan

Update Settings

Turn Off

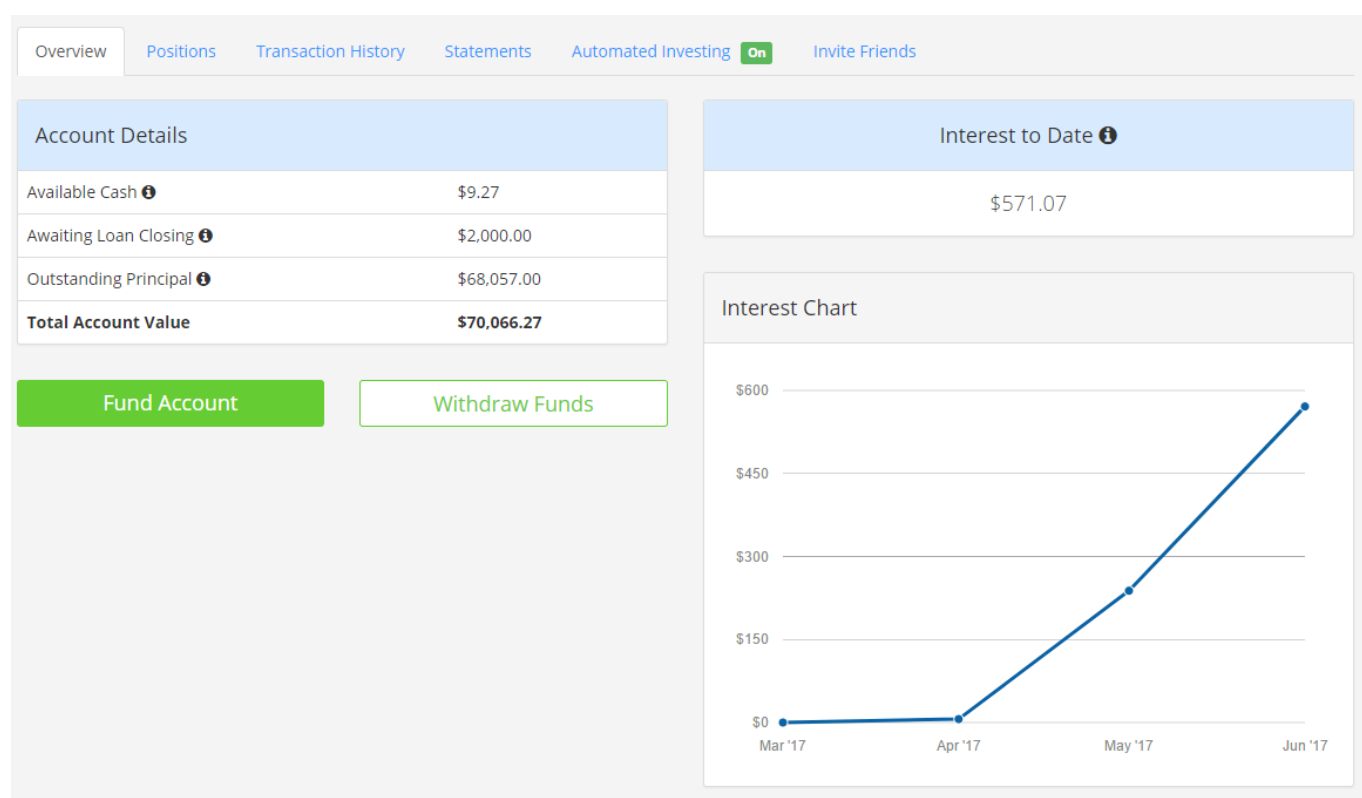
By activating Automated Investing, I acknowledge that I have read and understand the Automated Investing [disclosures](#).

As you can see from the screenshot above, I have set the following criteria for my investments:

1. Interest rate of 7% or greater
2. Max LTV of 75% or less
3. Loan term of 12 months or less
4. \$2,000 per loan

I'm confident that if I would have been open to longer-term loans that the time to become fully invested would have been less than three weeks.

The last piece of the platform that we will dive into is the Dashboard:



On the dashboard, you get a nice overview of your account along with a chart that shows you how much interest you have collected to date. You can see the lag time between when I opened my account sometime in March, to when interest started trickling in in April and building through June. Based on the mix of my current investments, I should be collecting about \$400/month in interest.

Speaking of the mix of my investments, let's take a look under the hood.

## **My Loan Portfolio on PeerStreet**

When I first started writing this post, I was going to just take a screenshot directly from the “Positions” tab in the dashboard I shared above, but then realized that there were a few metrics that I wanted to be able to track and share with all of you. So I exported the positions to Excel and added the information I wanted to see and show.

					Estimated
Loan	Investment	LTV	Rate	Term	Interest
Huntington Beach, CA Acquisition #9 11 days ago	\$2,000.00	65%	7.00%	3	\$31.89
Paradise Valley, AZ Acquisition	\$1,045.00	75%	8.00%	5	\$31.81
Pacific Palisades, CA Refinance (Series 1)	\$2,000.00	65%	7.00%	8	\$92.94
Bay Point, CA Refinance	\$2,000.00	65%	7.00%	8	\$93.33
Concord, CA Acquisition #2	\$2,000.00	65%	7.50%	9	\$112.92
Upper Marlboro, MD Acquisition #5	\$2,000.00	71%	7.50%	10	\$123.33
Clinton, MD Acquisition #4	\$2,000.00	75%	8.50%	9	\$127.50
Beverly Hills, CA Refinance #2	\$2,000.00	68%	7.00%	9	\$105.39
Riverside, CA Acquisition #8	\$2,000.00	73%	8.00%	11	\$148.89
Fremont, CA Acquisition #4	\$2,000.00	72%	7.24%	9	\$106.99
San Jose, CA Acquisition #14	\$2,000.00	70%	7.00%	9	\$101.11
Walnut Creek, CA Acquisition #5	\$2,000.00	75%	7.24%	11	\$135.55
Avalon, NJ Refinance	\$2,000.00	40%	7.75%	11	\$144.24
Hyattsville, MD Acquisition #7	\$2,000.00	75%	7.50%	10	\$119.58
Los Angeles, CA Acquisition #46	\$2,000.00	70%	7.00%	12	\$134.17
Mount Vernon, NY Acquisition	\$2,000.00	75%	8.00%	12	\$161.33
Sherman Oaks, CA Acquisition	\$2,000.00	75%	8.00%	12	\$158.22
Santa Clara, CA Refinance	\$2,000.00	64%	7.00%	12	\$138.06
Hayward, CA Acquisition #11	\$2,000.00	60%	7.24%	12	\$142.39
San Jose, CA Acquisition #9 (Series 1)	\$2,000.00	68%	6.75%	12	\$138.00
Huntington Beach, CA Acquisition #8	\$2,000.00	62%	7.00%	12	\$142.72
Orangevale, CA Refinance	\$2,000.00	65%	8.25%	12	\$167.75
Calabasas, CA Acquisition	\$2,000.00	67%	8.49%	12	\$171.22
San Juan Capistrano, CA Acquisition (Series 3)	\$2,000.00	75%	7.00%	10	\$120.94
Montecito, CA Acquisition #2 (Series 1)	\$2,000.00	73%	7.00%	12	\$143.11
San Jose, CA Refinance #11 (Series 1)	\$2,000.00	73%	8.00%	12	\$157.78
Livingston, NJ Acquisition	\$2,000.00	70%	8.00%	12	\$162.67
Costa Mesa, CA Acquisition #4	\$1,804.00	74%	8.00%	12	\$142.72
Anaheim, CA Refinance (Series 3)	\$2,000.00	55%	7.00%	11	\$126.78
San Jose, CA Acquisition #15	\$2,000.00	74%	7.50%	11	\$142.08
Jamaica, NY Acquisition #2	\$2,000.00	69%	7.00%	11	\$132.61
Bainbridge Island, WA Acquisition	\$2,000.00	71%	7.00%	13	\$145.83
Greenwich, CT Acquisition	\$2,000.00	75%	7.50%	12	\$150.00
Alhambra, CA Acquisition #3	\$2,000.00	75%	7.45%	12	\$149.00
Oakland, CA Acquisition #15	\$2,000.00	74%	7.00%	12	\$134.56
Sacramento, CA Refinance #18 (Series 2)	\$2,000.00	59%	8.00%	18	\$240.00
<b>Total</b>	<b>\$70,849.00</b>	<b>69%</b>	<b>7.45%</b>	<b>11</b>	<b>\$ 4,761</b>

I should point out that I chose to use \$2,000 per loan based on the size of my

account. As I mentioned above, I opened this account with \$50,000, and I decided that I didn't want any one loan to make up more than 5% of the portfolio. At the time, this put each loan at 4% of the total portfolio value. Since then I invested another \$19,000 and some change, which has diluted the size of each loan to about 2.8% of the total portfolio value.

In the screenshot above, with my current investments, I added in two columns that don't exist on the [PeerStreet](#) platform:

**LTV** - You get to see the LTV on the investment page, but for some reason, the developers have not carried this over to the positions page once it becomes an investment. I brought this in not only to see what the individual LTV's were for each loan but because I also wanted to see what the weighted portfolio LTV was. My current mix has a weighted average LTV of 69%, which tells me that I have a 31% equity cushion shielding me from potential losses. I like that margin of safety!

**Estimated Interest** - The positions tab shows you the cumulative interest collected on each loan, but I also wanted to see the annualized interest, to get an idea of what I could expect on a forward 12-month run rate.

**Total** - The total at the bottom has some of the data points you see at the top of the positions page, but I added this in order to see the following: Total Investment, Average LTV, Average Interest Rate, Average Duration, and Run Rate of Anticipated Interest.

*Note: You may be wondering why the total in the positions summary is different than the total you see in the other screenshots. This is really just timing of when I took the screenshots and when I put my spreadsheet together. I had collected additional interest by the time I pulled the spreadsheet together.*

I do have another portfolio with [PeerStreet](#) that has about \$7,000 in it. It is an after-tax account that I set up initially before my self-directed IRA. Because the interest on these investments will be taxed at ordinary income rates, I decided that it would be more efficient from a tax perspective to make a majority of these investments in a pre-tax account, especially given the high marginal tax rate I and Mrs. GYFG are currently in.

At this point, I don't plan to add to the self-directed IRA, but rather just leave the

automated investing turned on, and see how it performs over the next 12-24 months.

*Is anyone else investing on the PeerStreet platform? What else do you look at? Are you using the automated investing feature?*

- Gen Y Finance Guy

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## **Gen Y Finance Guy**

**Hey, I'm Dom** - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)