

7 Things Every Borrower Should Know Before Seeking Commercial Financing

Whether you're refinancing, purchasing, or developing a property, these essential insights will help you prepare for a smoother financing process. Know what to expect, how to present your deal, and what lenders need.

1. Know Your Loan Purpose

Clarify if you're looking to purchase, refinance, construct, or reposition a property. This affects which lenders are best suited to your deal.

2. Be Prepared with an Executive Summary

Lenders need a high-level overview including property details, borrower profile, loan request, and exit strategy. A clean summary speeds up response times.

3. Financial Transparency is Key

Expect to share corporate and personal net worth, real estate portfolios, and tax returns. Full disclosure builds trust with lenders.

4. Timeline Drives Terms

Need funding in 30 days? Expect to pay a premium. Longer timelines often mean better rates and more financing options.

5. Documents Drive the Deal

Have reports ready or be ready to order them: appraisal, ESA, geotechnical, etc. Lenders rely heavily on third-party reports.

6. Expect Due Diligence

Even with private lenders, there is still significant review. Be prepared for questions about title, leases, guarantees, and borrower experience.

7. Choose the Right Broker Partner

Work with someone who understands your goals, can access multiple lenders, and knows how to structure complex deals.