

TOP TIPS

SAFE PRIVATE MONEY BORROWING

(Borrower's Perspective)

- Protect your lender's interest at all costs.
- Learn and know your lender's profile. (Risk, Rewards and Goals)
- Strive to minimize risk for you and your lender.
- Provide a complete borrower profile with references and a personal guaranty.
- Provide a complete property profile, project timeline, budget and exit strategy.
- Examine title and loan payoff on your property, before asking for lender commitment.
- Double check your comps and your rehab budget.
- Do extreme due diligence on your contractor and never pay them front money.
- Research your lender. Check references of current and past customers.
- Avoid pressure to act too quickly and deposit cash with the lender.
- Be cautious, of lenders with high rates, points, and junk fees.
- Be wary of lenders whose rates and terms seem too good to be true.
- Always insist your lender use a Licensed Real Estate Attorney to draw legal documents.

