

# TOP TIPS

## SAFE PRIVATE MONEY LENDING

### *(Lender's Perspective)*

- ✓ Do your due diligence on the borrower, the property, and the loan.
- ✓ Spread your risk and diversify your investments. Keep your loan quality high and your LTV's low.
- ✓ Distinguish yourself from hard money lenders.
- ✓ Know your borrowers and secure a personal guaranty.
- ✓ Do not lend on anything you would not want to own, if default occurs.
- ✓ Check your CMA comps, drive the area and walk the property. Review the borrower's rehab budget and exit strategy.
- ✓ Advance rehab money responsibly. Always in arrears of repairs and always collect monthly interest payments.
- ✓ Secure Title Policies, a survey and proper insurance on each file.
- ✓ Close all your transactions with bonded title companies.
- ✓ Always have a licensed Real Estate Attorney draw the loan documents.
- ✓ Focus on the things you can control. Do not ignore the things you can't control.

