

CONVENTIONAL LOANS AS REAL ESTATE FUNDING OPTIONS

If you are contemplating purchasing an investment property. But don't have the money required in your ledger, don't give up. Fortunately, there are more financing choices than you probably thought. Choosing the most ideal real estate funding options for your real estate investment methodology and specific circumstance can even spare you a large amount of money.

The most popular real estate funding options are conventional loans. You have a down payment, and the bank will give you the rest of the money in return for a lien on the mortgage-secured house. While many banks allow some borrowers (those planning to occupy the property as their primary residence) to put down as little as 5 percent of the purchase price, investors typically have to put down more.

Conventional loans are a good option for buy-and-hold investors who are creating a portfolio of rental properties generating revenue. Usually, they are not used to flip houses since they are contracted for a period of 15, 20, or 30 years. Conventional loan lenders do not wish to provide short-term financing.

PROS

- The widest form of financing available, so you can shop around easily for the best rates and conditions
- Easily understandable
- Usually, conventional loans have the lowest interest rates of any real estate funding options

CONS

- There's a cap on how many conventional loans you can get
- To apply you need a strong credit score (640 or higher)
- It's difficult to qualify if you buy properties via an LLC (limited liability company) instead of putting them in your personal name

There are multiple ways to access real estate investment financing.

Visit www.realestatefundingsolutions.com today to learn more about how we can help you.