

TYPES OF REAL ESTATE LENDER

When investors find an investment in real estate that they are interested in. And decide to either use it as rehab or keep it as a long-term investment. Investors usually search for an additional financing option for their real estate deals. This is when they would begin searching for the right real estate lender.

Generally, they may seek to find real estate loans that can cover the acquisition and renovation costs if it is a fix and flip house, or they can search for lenders who will refinance them for their acquisition and keep rental assets.

HARD MONEY LENDERS

Hard money loans, also referred to as “bridge loans,” are usually used as a form of funding for real estate investment. Lenders of hard money loans are not typically banks but rather private individuals or companies. The property itself is used as collateral with this sort of asset-based loan. This method of financing is usually easier and quicker for investors, but it can be more costly when it comes to interest and fees because of the lender’s inherent risk.

PRIVATE LENDERS

A private lender is someone who uses their money to fund investments, such as real estate, and benefits from interest on the loan paid. Private lenders are not affiliated with a bank or other financial institution but interact with the borrower directly instead. There are many private lending companies that investors can seek out.

BANK LOANS

Most banks provide commercial financing for various forms of real estate. Local banks tend to offer up to about \$1 million in loans, while regional and national banks can provide even bigger loans. In general, to qualify for commercial financing through a bank, the property will need to be owner-occupied.

The lenders have several sets of conditions before they award your small business a commercial loan. These criteria pertain to the finances of your company, your finances, and the characteristics of the property. Give **Real Estate Funding Solutions** a call at **1-855-913-8637** to let us help you get the process started.