

Title:

Difference Between Private Lenders And Banking Institutions

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411

Summary:

If you have decided to take or loan or mortgage then the facilities available are immense. There are wide variety of banking institutions, banks and brokers who are available to provide loan

Keywords:

loans, mortgages, finance, credit cards

Article Body:

If you have decided to take or loan or mortgage then the facilities available are immense. There are wide variety of banking institutions, banks and brokers who are available to provide loan. It is only when an individual shops and finds the various lenders available and the schemes that they offer that he will be able to get the right loan at a good rate.

In case of a banking institution, the borrower is in contact with one person who is an employer of an organization and gives the various loan facilities offered by his institution. He is only an employee who gives the various facilities available by his employer. He helps borrower on the various facilities and choose what might be the best suitable for him. Once his personal credit information is approved, the employee processes the forms and helps the borrower and gets him credit.

The private lender is helpful when the individual's personal credit rating is bad and when the various banks and financial institutions refuse to give him any credit. The private lender asks for a security and charges high price. A mortgage broker on the other hand is only a middleman and gets credit to the individual from various sources that would be able to finance the individual's need. The rate involved might be high but a broker is the best solution for anyone with bad credit and who is unable to access any institution or banks for his credits. The broker or lender can sometimes give best deal to an individual when more business is promised. The individual can negotiate with a broker and get good credit facilities than when he goes online or approaches a bank.

One disadvantage with a private lender or broker is that the credit facilities

are some time got from other places or outside the boundary of the individual and in this case the credit terms and conditions may not match that of the borrower and may not be to his satisfaction. Whereas a bank is a local institution and the employee can help get loans, which suits the need of the individual of the locality, and the credit facilities are tailor made to suit the individuals need.

Whatever is the difference between the bank and private lenders the borrower must shop around and know his limitations and the various facilities available from either of the sources and then approach that source which is most convenient to him.