

Title:

Commercial Mortgage Refresher Course

Word Count:

571

Summary:

Overview of the Commercial Mortgage process.

Keywords:

commercial mortgage, mortgage bridge loan

Article Body:

<p>Securing financing is a real need for almost every business, particularly for those interested in real estate investments. Most investors realize the hardest thing to come up with is the actual cash to make the investment in an income property. Granted, it is never easy to find others to invest their money in your real estate project, but perhaps it is not as hard as many would lead you to believe. In fact, many banks and financial service institutions offer a variety of options acquiring the funds necessary to make an investment. One of the best ways to fund an income or rental property is by using a commercial mortgage. Most any bank will offer some version of a commercial mortgage.

<p><b>Commercial Mortgage</b>

<p>A commercial mortgage may be a new term to you, but chances are you are already quite familiar with the fundamentals that make up a commercial mortgage. If you have ever owned your own home then you likely took out a mortgage to pay off the seller of the house. A home mortgage is not much different than a commercial mortgage. Just as a home mortgage is secured against the land and the structure built on that land so too is a commercial mortgage. Taking out a commercial mortgage will typically result in set monthly payments on the loan in much the same manner as a home mortgage functions.

<p>With that basic understanding of what a commercial mortgage is, now you are empowered with a viable option for financing the investment property you are interested in purchasing. Before you take out the mortgage you will want to shop around for competitive terms. Some banks will offer more competitive interest rates than others. It is also important to note that some banks will have prepayment penalties while others may not assess any penalty for paying the loan off ahead of time. If you plan on paying off the loan before it matures it

will be important to find a bank that doesn't assess prepayment penalties.

<p><b>Mortgage Bridge Loan</b></p>

<p>If you are already familiar with the commercial mortgage process and are just looking for a short term loan that will aid you in moving from one investment property to another in a relatively short time frame, you should consider a mortgage bridge loan. A mortgage bridge loan offers more flexibility than a commercial mortgage can, and thus can be helpful when your investment window is very short. You might also consider using a mortgage bridge loan to pay off your old commercial mortgage and then roll it into a commercial mortgage package for the new investment property deal you are working on. Mortgage bridge loans can be used in a variety of ways and you should visit your lender if a mortgage bridge loan interests you.

<p>As you search for viable financing options, the most important thing to remember is that there is a myriad of options available to you. However, not all these options will be a good fit for your financing needs. Be sure to do your homework and learn about the various financial instruments offered before rushing to decisions. If you are patient, you will find a financial instrument, such as a commercial mortgage, that fits your needs and will help you on your way to success.