



Why smart Memphis Real Estate Investors use Hard Money loans from Investment Property Financing

If you are a real estate investor, there are many reasons why you should use hard money loans. The main advantages of hard money loans are speed, flexibility, easy approval, and many others. Here are some of the top reasons investors use hard money loans.

SPEED

Most Hard Money Lenders can fund in a matter of days after receiving all the necessary documentation, while traditional lenders can take months. Applying for a hard money loan is a very simple process compared to traditional loans which is known for being a long and strenuous process. Once the real estate investor has been approved for the loan, they will receive the money in a matter of days. When it comes to investments, time is money.

STRENGTH

An offer from a real estate investor with a hard money loan as financing is considered a strong offer. That can go a long way in situations where the property has multiple offers. Hard money loans stand out because hard money lenders are not known to suddenly pull funding for random reasons like banks are known to do. This makes hard money loans more reliable.

PROPERTY VALUE

When it comes to hard money loans, the most important aspect that the lenders consider is the value of the property. Banks are more concerned with the borrower's credit and income. If the potential borrower has a credit score that is one point off, they will not be approved for the loan and there is no room for negotiation. The value of the property is important considering that the property serves as the collateral for the loan. Lenders also focus on the "after repair value," or ARV, which is an estimate of what the property will be worth once the renovation or development phase is complete. The primary focus is on the property's profitability.

REFINANCING

Hard money lenders can help you to get a cash-out refinance loan if a profitable real estate investment opportunity arises and you need money to invest now. If the homeowner has a sufficient amount of equity in their property, a hard money lender can help them with a refinancing loan and the individual can have the funds in a matter of days. Refinancing provides you with money to help you invest in real estate and retirement expenses without giving up the title to your home or sell it. With a reverse mortgage, you can continue to live in your home and even use the proceeds of your loan to help cover your monthly mortgage payments.

FLEXIBILITY

Traditional lenders are known for having strict rules and regulations that make it almost impossible for borrowers to be approved for a loan. Hard money lenders are known to be flexible in order to help the borrower get a loan that works for them. Hard money lenders are able to work through issues with a borrower and to offer a solution that works for both parties.

EXPERIENCE

Working with a hard money lender isn't just about financing, it's a partnership. The hard money lender makes money when you do so they want the project to go as smoothly as possible. The lender will work with you to come up with a loan that works best for you because the last thing the lender wants is problems that put the project in jeopardy.

An important aspect of alternative lenders is that they can offer flexibility, liquidity, and partnership. Unlike traditional lenders, hard money lenders can offer partnership and communication in your investments and projects. When you are investing in real estate, you're not just looking for financing, you are looking for a lender who values open, two-way communication. Some important Trust Deed Investment Information you'll need are the basics of finding a great MLB. Communication, integrity, and timeliness is most important. Finding an alternative lender to handle these investments doesn't have to be difficult. Find out more about [Investment Property Financing here](#)