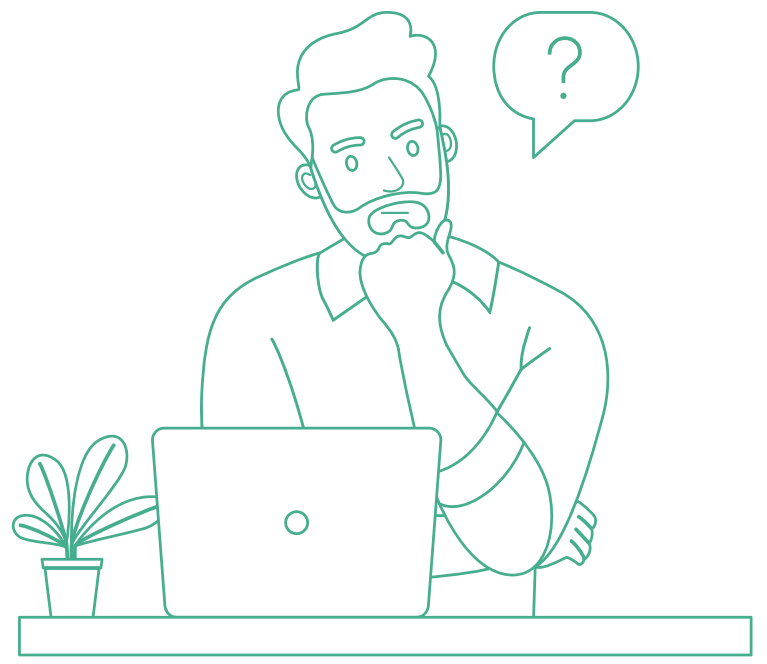


What to Ask Your Hard Money Lender

The cost of doing business with a hard money lender is more than just interest rates and points—the right lending partner can be influential in helping you turn a profit and scale your business.



To help you identify the right hard money lending partner for your business, here's a checklist of few questions you should always ask before applying for financing:

- 1 What types of real estate loans do you provide?**

A good lending partner will be able to work with you to find the best loan product for your project, often customizing it to fit your individual needs.
- 2 Where do you provide loans?**

Different lenders support different regions. Some might be able to offer loans across multiple states, while others will only focus on local financing. Talk to potential lenders to see where they can provide funding.
- 3 Can I get pre-qualified for financing?**

In some circumstances, it's worth getting qualified for a loan right when you come across a great real estate deal. That way, when you're ready to move, the lender can get the money to you quickly.
- 4 How much money can I borrow?**

Every lender will set the amount you can borrow around several different factors. These might include:

<p>Loan to Value (LTV)</p> <p>The amount you're borrowing, compared to the overall value of the finished project.</p>	<p>Loan to Cost (LTC)</p> <p>This is similar to LTV, except instead of comparing the amount you're borrowing to the finished value, the lender looks at the total cost of your project and makes a determination on how much to lend.</p>
<p>After Repair Value (ARV)</p> <p>The value of real estate after it's been improved, renovated, or fixed up.</p>	<p>Minimum + Maximum Loan Sizes</p> <p>Some lenders put lower and upper limits on how much they're prepared to fund.</p>
<p>Borrower History</p> <p>If you're applying for loans and have successfully borrowed in the past, a lender may be more likely to approve your request.</p>	
- 5 How much of a down payment is needed?**

A hard money lender will not provide all of the money needed to pay for a project. Ask the lender what their LTC is, as that's the maximum they will fund towards the project, and you'll need to come up with the rest.
- 6 What interest rates do you charge?**

Hard money lenders do charge higher interest rates than a traditional mortgage or bank loan due to the additional risk. The interest rate is the single biggest influence on how much you'll repay.
- 7 What are the repayment terms?**

The frequency of repayments and the length of time it takes you to repay will have a significant impact on your capital and interest payments and your cash flow. Ask the lender about the loan repayments you'll need to make on a regular basis and how long your loan term will be.
- 8 Do you check personal credit scores?**

With hard money loans, the lender approves a borrower based on the value of the property being purchased. The lender may do a quick check of your credit or finances, but in general, the process will be much less rigorous than with a traditional loan.
- 9 How quickly can I close on my loan?**

Hard money loans can be approved much more quickly than traditional loans. You could have access to the money in as little as 10-15 days.
- 10 What about prepayment penalties?**

A pre-payment penalty is a fee that some lenders charge if you pay off all or part of your loan early. It's important to understand any potential costs associated with your loan up front.
- 11 Are you transparent with your fees and underwriting?**

You want a lending partner who is upfront and transparent with the fees they do and don't charge. The fine print in financing can have a serious impact on your ROI.

KIIVI ANSWERS

- 1** We offer Fix and flip loans, bridge loans, single asset rental loans, rental portfolio loans, cash-out and refinance.
- 2** We empower real estate investors across the country in 32 states + DC.
- 3** It's easy! When you price out a deal in our online digital platform, you can print our a pre-qualification letter right from the tool before you apply.
- 4** Visit kiavi.com for minimum and maximum loan amounts on a variety of fix and flip and buy and hold financing options.
- 5** Down payment amounts can vary from project to project. Use Kiavi's online calculator to estimate costs, monthly repayments, net profit and ROI for your next deal.
- 6** We offer competitive rates on a variety of loan options. Visit us at kiavi.com for our current rates.
- 7** We offer 12, 18 and 24 month terms with interest-only options on our fix and flip / bridge loans. We also offer 5/1 ARM, 7/1 ARM, 30-year fixed, and interest-only options on our long-term single asset rental property loans and rental portfolio loans.
- 8** To pre-qualify you for financing with Kiavi, we check your credit score using a soft credit pull—unlike hard inquiries, soft inquiries won't affect your credit score.
- 9** At Kiavi, you can close on your fix and flip / bridge loan in as little as 10 business days and 30 days for rental loans!
- 10** At Kiavi, there are no prepayment penalties on a fix and flip / bridge loan and no prepayment penalties after year 3 on a rental loan.
- 11** We're very upfront and transparent with the fees we do and do not charge. The fine print in financing can have a serious impact on your ROI. Depending on your rehab plans and timelines, allow your Kiavi customer experience manager to walk through the numbers with you and provide guidance in prioritizing lower upfront costs versus maxing your leverage. We want you to have a successful exit!

Get pre-qualified with Kiavi today!

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