Checklist: Hard Money Lender Questions

Interview as many HMLs as you can find to determine:

* What Interest Rates do they charge?
* What Points are charged?
* Are the points wrapped into the loan? In other words, will they loan the points?
* What LTV ratio are they willing to loan?
* Is the LTV based on the After Repair Value [ARV] as opposed to current market value or Purchase Price?
* What is their length of loans? (prefer 1 year)
* Do they charge a Pre-payment penalty?
* What is their repair escrow release process? Fees for each release?
* Do they require you to have money in the deal? If so, how much?
* Can you place additional mortgages on the property? (Think Private Lender loans)
* How long does it take to close?
* What is the loan approval process?
* What is their loan approval criteria?
* How long does it take to get approval?
* Do you need to / can you get pre-approved?