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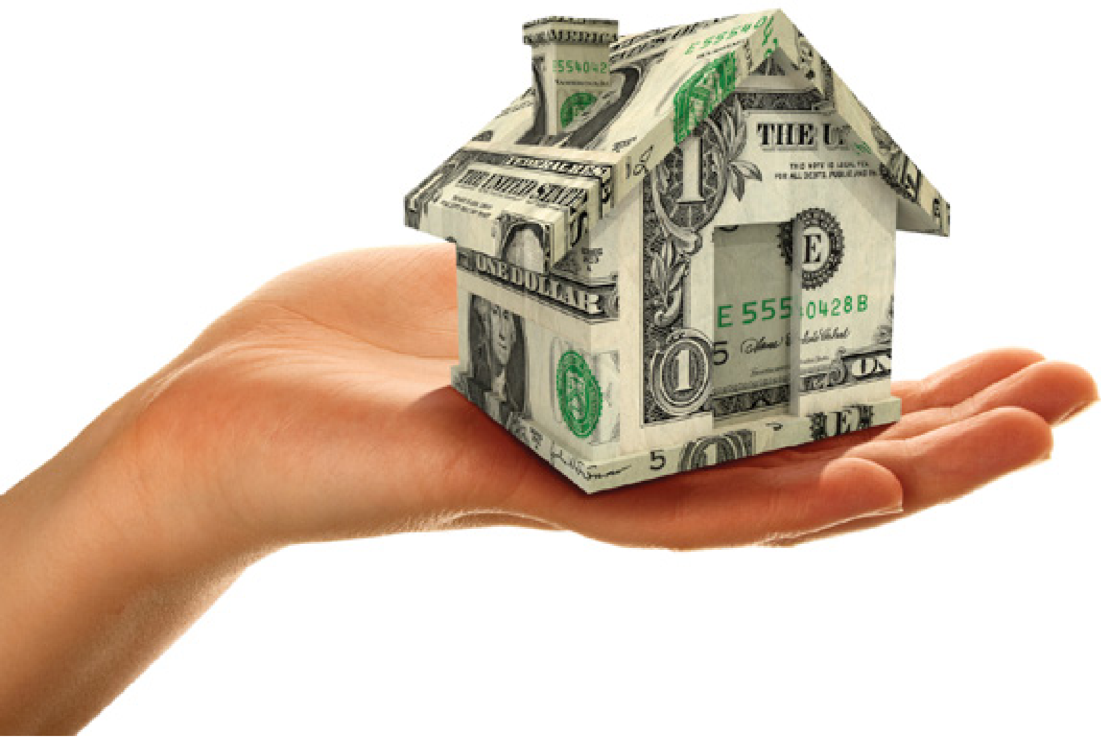

TrustDeed Capital

Your Trusted PRIVATE MONEY LENDER

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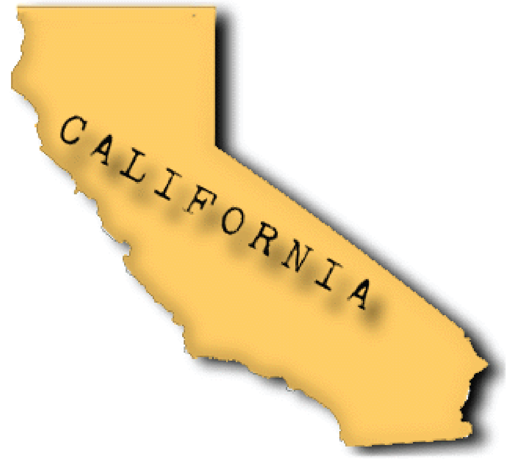
7 Reasons California Hard Money Can Get You Funded



If you've been trying to get deals done in California's rewarding but challenging investment real estate climate, you know that sourcing debt is hard to do. Luckily, you do have an alternative -- the private mortgage market. Here are the top seven reasons that California hard money lenders can make you a loan and help you get your deal closed:

1. They have money to lend. Private lenders are investors like you that have money that they need to place.

2. They can close quickly. California hard money lenders aren't big, faceless institutions with levels of decision making. Once they get your application, they can move quickly and fund your loan, usually in three weeks or less.

3. They don't underwrite income. Most private lenders look at your ability to repay the loan rather than looking at the property's in-place cash flow. Since they do this, they can lend you money on vacant and distressed properties, allowing you to carry the property until you can turn it around or resell it.

4. They can preapprove you. Since California hard money lenders' primary concern is your strength and your ability to repay the loan, they can usually preapprove you and give you a proof of funds letter that you can use to write purchase agreements with the knowledge that you will be able to close.

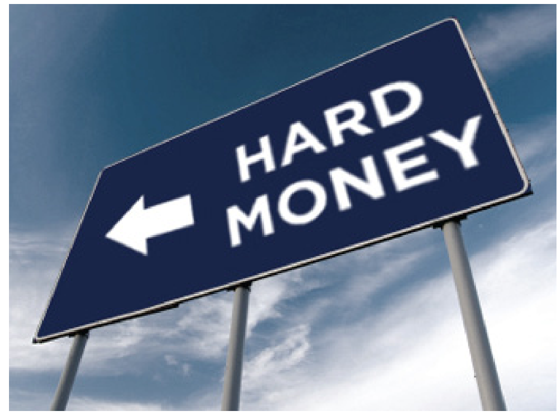
5. They have to lend to earn. Banks can borrow money from the Federal Reserve, lend it to the government, and pocket the difference. Private lenders can't. If they aren't lending their money to investors like you, they aren't making anything.

6. They can lend on after-repair value. California hard money lenders usually look at what a property will be worth after you fix it up; instead of looking at its value on the day you close on it. This means that they can lend you more money than you might expect, giving you the funds that you need to rehabilitate the property and resell or re-tenant it at a healthy profit.

7. They take risk. Many traditional lenders are so risk averse that they miss opportunities to make good loans that will make them money. While the private lending community is extremely prudent, they look at a deal and a borrower as a package and may be able to ignore minor issues that should not derail a transaction.

Do Hard Money Loans Really Work for Real Estate Investing?

Most traditional lending institutions make the average real estate investor navigate through a seemingly endless amount of jumping through hoops only to turn down the loan in the end. Even creditworthy investors who have seemingly straightforward real estate deals with good cash flow and excellent ROI are routinely turned down. Fortunately, there is an alternative for the knowledgeable and experienced real estate developer, namely, hard money loans.



The Value of Hard Money Loans

Hard money loans are an excellent choice for investors with non-traditional deals. Individuals and companies with hard money to lend offer several decided advantages over banks and other traditional financial institutions.

Knowledge

In most cases, hard money lenders have been in business for themselves or intimately involved in running a business. For this reason, they understand the business in general, and can grasp the particulars of an unusual but potentially lucrative real estate deal. In addition, their knowledge can actually aid the borrower in solidifying the details, and therefore, make the deal that much more attractive.

Versatility

Similarly, those who make hard money loans understand that all deals will not fit into a neat and prescribed format. In fact, they realize that the best deals are probably taking advantage of a unique situation and can appreciate the borrowers business savvy. In other words, hard money lenders are not tied to a model and, in may instances, are intrigued by a new and potentially lucrative investment strategy.

Response

Hard money loans do not have to undergo the tedious and time-consuming process that most mortgages do. Instead, the money or loan is approved by the very person who has the money. Since a single person is usually making the decision, loan approvals are timely and any other needed responses are similarly swift.

Security

Hard money loans do have one aspect in common with traditional, bank-financed loans; they are investigated, documented and secured in the same manner. Title searches are done, escrow accounts are established and all of the other legal details are observed. Both parties in a real estate deal with hard money loans can rest assured that their interests are securely protected to the fullest extent of the law.

5 Reasons to Partner with Hard Money Lenders

Private hard money lenders afford an excellent opportunity for real estate investors to find versatile and affordable real estate loans. Hard money lenders typically have a broad range of general business experience and are knowledgeable about finance and real estate in particular.

Here are five reasons to choose a hard money lender when looking for a real estate loan:

1. Business Experience

Real estate investment involves a wide variety of techniques and courses of action. Hard money lenders can examine the particulars of a deal and understand its mechanics to make an informed decision. In other words, the deal does not have to fit a mold designed by traditional lenders. Instead, a private money lender can base his decision solely on the merits of the deal.

2. Capital Availability

Similarly, a hard money lender is not constrained by the risk tolerance of a loan committee or by government regulation. If the lender considers that the interest rate justifies the risk, he can make any deal he wants to. This fact is especially important in highly lucrative but unconventional real estate deals. There are literally thousands of private money lenders looking for these types of deals.

3. Flexible Financing

While there are a variety of traditional real estate loans ranging from commercial “balloon” notes to traditional residential mortgages, they are, by and large, fixed in stone when it comes to terms and conditions. Hard money loans, on the other hand, are controlled by far fewer constraints. Hard money loans do require title searches, escrows, and insurance but these items are meant to protect the lender AND the borrower. The financial terms of the deal, however, are completely up to the parties involved.

4. Rapid Response

Hard money lenders are investors who have decided to make their money work for them. Parking their assets in a CD or savings account does not accomplish this goal. As such, they are extremely interested in consummating timely deals. Count on a quick decision at every step of the hard money loan process.

5. Price

As with any other real estate investment, the interest rate is dependent on the risk involved in the deal. Nevertheless, interest rates are comparable to many traditional bank loans especially when upfront bank fees are considered. A borrower may not always get the lowest interest rate, but on a short term deal, hard money lenders may still be the most affordable option.

Types of Properties Hard Money Lenders Fund for Borrowers

When you are looking to buy the most lucrative types of properties in the market -- smaller properties that need rehabilitation for resale -- you have probably found that traditional lenders cannot give you the money or the terms to make the deal work. Hard money lenders, on the other hand, love these deals and can get you in control of the property very quickly.

There are two types of properties that meet hard money lenders' criteria.

- One-to-four unit residential properties -- houses, duplexes and three- and four-unit buildings -- in need of renovation and repair.

- Small commercial properties -- frequently designed for occupancy by just one or two clients -- in need of repair, of a tenant, or both.

While these two classes of investments may appear to be very different, they share an important commonality. They both can be bought cheaply when they are vacant and in need of work and can both be resold for a significant profit after they are fixed up. This makes them excellent properties for you to invest in and safe risks for hard money lenders.

In exchange for making it possible for you to buy and profit from these types of properties, hard money lenders will ask for a few things in return:

- A down payment of 40 percent or more. While this may seem onerous, many lenders calculate LTV on the basis of the repaired value of the property rather than on the, usually much lower, purchase price.

- A reasonable origination fee to cover the cost of underwriting and originating your loan.

- A borrower packet that includes information on you and on your strategy with the property. While they want to know that you are a good risk and that they are likely to be repaid, they might even be willing to overlook your FICO credit score if it does not truly reflect your strength and reliability.

- An interest rate that is higher than what a bank would charge, but still low enough to allow you to make a great deal of profit on the investment.

If you are ready to invest in these lucrative types of properties, look into hard money loans. They are the gateway to profiting from one-to-four unit residential and small commercial property rehabilitation investments.

When To Use Hard Money Loans vs. Traditional Lending

If you're a property investor, you know that hard money loans are a very powerful tool. In exchange for paying a slightly higher interest rate and origination fee, they give you fast access to money on very favorable terms. While traditional lending is an excellent option for some transactions, hard money is the way to go for deals that need a little something extra.

Hard Money Loans for Investments that Require a Fast Close

Traditional lending execution times get measured in months. Private loans close in weeks, and can close faster. In fact, while a normal private mortgage loan can close in three weeks, some lenders can deliver funds in as little as three days if you have a special need and are well-qualified. This lets you move on the best deals -- the ones that investors snap up quickly.

Investments with High Potential Yields

If you are buying a house with a six percent annual return, it is probably safe, stable and conservative enough for you to get traditional financing from a bank or credit union. Private lenders give you the funds and flexibility that you need to acquire riskier assets that have higher potential returns. As an example, if you buy rehab properties on which you expect to make a 50 percent return on resale, paying a few extra points of interest for hard money loans is a reasonable expense relative to the profit you stand to earn.

Investments that Need Rehabilitation

Traditional lenders usually look at the appraised value of a property that you are trying to finance. Hard money loans can look at the value of the property after you rehabilitate it. This higher value can provide you with more loan dollars to pay for the property and the improvements, increasing your returns and letting you use your equity to do more deals.

Investors with Challenges Qualifying for Bank Financing

Finally, hard money loans are perfect for investors that have something on their record that might disqualify them from a bank loan where the officer needs to "check all of the boxes." Private lenders look carefully at you to ensure that you can repay them, but the key word is "you." They can overlook your global cash flow, total debt level or even credit score if you have an ample down payment and look to be a good risk.

Is There a Difference Between a Bridge Loan and Hard Money Loan?

A bridge loan doesn't have to be a hard money loan, just as investors can use hard money for a number of purposes including, but not limited to, bridge financing. That being said, because the bridge lending market remains unhealthy, many investors turn to hard money for their temporary financing.

Investors use bridge financing for short-term capital needs. For instance, imagine finding a heavily discounted foreclosed house that needed some repair before you could turn it into a cash flowing rental property. Because of its condition, you won't be able to get a traditional long-term investment property mortgage, so you need to find another debt source.

A bridge loan is a short-term loan that "bridges" over the time between when you buy the asset and when you are able to put permanent financing on it. Traditionally, investors have turned to banks or to lines of credit for bridge financing. After the banking crisis and credit crunch, banks pulled back limits for the lines of credit that many investors used as bridges. Those limits have still not come back to the levels that were common before the crunch even though today's buying opportunities are much more compelling.

Hard money lenders, on the other hand, typically make loans with money that comes from private investors. These loans typically carry origination fees and interest rates that, while still reasonable, are above the market for normal long-term financing. In other words, they are loans that investors typically want to pay off quickly and refinance into traditional loans. Given that private lenders are usually less fussy about the deals that they lend on, provided that they will get paid back, and that they can move much more quickly than most banks, they make excellent bridge lenders. Even though a private bridge loan is more expensive than using a line of credit, they still make great sense because today's deals needing bridge financing are much more lucrative than their equivalents in the past.

If you want to get deals done and take advantage of today's excellent property pricing, you either need extremely deep pockets or a way to take out a bridge loan. Given the availability of hard money in the market and the unique execution benefits that they bring, you should consider having one or two reputable lenders in your resource portfolio to take advantage of this unprecedented buying opportunity.

California Hard Money Lenders for Your Investment Property Loans

If you are a well-qualified buyer looking to take advantage of the myriad opportunities in the one-to-four unit residential real estate market, the private money market is the best partner that you could ever want. While banks and credit unions remain overly conservative about lending on investment homes, California hard money lenders offer loans at competitive terms that can get you ownership of today's best property investment opportunities. Here are just a few of the things that they can do for you:

- California hard money lenders can move quickly. Since most private mortgage originators are private investors they do not have committees which can take weeks or months to decide whether or not they will give you a loan. Once you find a suitable deal and submit your application package, you can expect to close within the time frame of three weeks or less. This lets you write offers that can close more quickly, increasing the likelihood that you get the best deal.

- They can lend on assets that do not have proven cash flow. If you are looking to take advantage of foreclosed or vacant properties, you will find that many traditional lenders want to see the property generating a net operating income which is higher than the annual debt service. Private lenders look at your down payment and your ability to repay them.

- California hard money lenders offer rates and terms that, while more expensive than a bank; leave a lot of money in the deal for you. For instance, borrowing $120,000 on a $200,000 property would probably cost you around $19,000 in the first year. However, you are buying that $200,000 property to put $25,000 of work in and sell it for $350,000. At that point, you will have spent $124,000 between repairs, down payment and loan costs and cleared $205,500 after commissions, costs of sale and paying your loan off. In other words, your hard money loan lets you turn $124,000 into $205,500 after one year!

Why are California hard money lenders making such great opportunities possible for you? It's simple. They have money on which they want to earn a healthy return. Since the banks will not pay them a reasonable interest rate, they turn to investors like you. While they give you the money that you need to do deals, you pay them enough interest that they can earn a reasonable profit. In other words, everybody wins!

5 Ways To Find Hard Money Lenders in California

Finding private money lenders in California is not as hard as it may seem. Given the number of borrowers looking for money and the continuing reluctance of traditional lenders to enter the market, the private lending market has expanded to fill the need. Here are five ways that you can find a source of hard money loans to help your clients close deals:

1. Talk to your clients. Odds are that your most active clients have existing relationships with hard money lenders. They may be willing to connect you with their lending sources. At the same time, some of them might even be involved in private lending themselves.

2. Contact the American Association of Private Lenders (AAPL). To find the best and most active private money lenders in California and elsewhere, get in touch with the AAPL. The AAPL is the industry's trade association and maintains a directory of their member organizations.

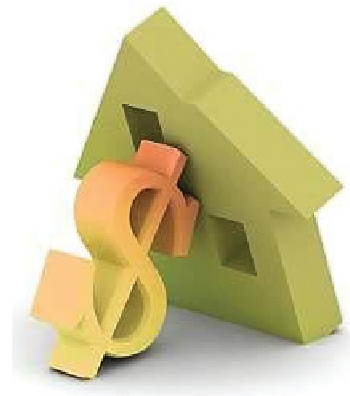
3. Network with escrow companies. Escrow companies know where the money for the deals that they close comes from, even if the actual lender information does not get recorded as a part of the deed. If you can build relationships with a few good, and active closers, you can usually get them to tell you which lenders they see regularly, even if they cannot disclose which lender closed on which deal.

4. Research closed deals. You can also do the leg work yourself by researching closed deals. Private money lenders in California that take security interests in the properties will have their information included in the recorded trust deed. Alternately, you can also call the buyer and ask them who they used as a lender.

5. Talk to real estate attorneys. While real estate attorneys are less important in California than in other states, those that specialize in working residential investment transactions should also have a sense of active lenders in the market and can help you find good lenders, especially if they know that you will return the favor by steering the business for the closing back their way.

Finding private money lenders in California is not a simple process. However, by using a combination of research, your connections and the assistance of the American Association of Private Lenders (AAPL), you can build a book of high quality lenders that can help you close deals for your clients.

5 Reasons Investors Should Have Hard Money Loans in Their Portfolio



Private individuals and companies will find it difficult to obtain superior returns without an unacceptable degree of risk in the traditional financial world. Traditional banks, stock brokerages and financial investment companies provide a “range” of investment vehicles but all rely on the same basic tenet that to obtain superior results, an investor must accept a greater degree of risk to his capital.

Superior Returns

Banks borrow money and then re-loan it at the prevailing market rate. Thus, to make money themselves, they must pay the substandard investment rates. Anyone with a CD or savings account knows this fact without being told. Quite simply, trust deed investments eliminate the middle man, the bank, and allow the investor to reap a greater rate of return on the money he invests.

Availability

Finding a worthwhile borrower and deal might seem like a daunting process. It would be without the use of a reputable third party private money lender. These companies bring investors and borrowers together. They protect both parties as they scrutinize both the lender and the borrower. In addition, they examine the deals for risk and security. For the investor, private money lenders are an excellent venue for identifying potential deals within their financial parameters and risk tolerance.

Versatility

There is a “menu” of loans available. While most fit the traditional mold of monthly payments, many can be customized to fit the needs of an individual investor. From short term with balloon payments to long term guaranteed rates, trust deed investments perform like most traditional real estate loans.

Asset Backed Security

The benefit of making a loan on a “real” asset at a substantially discounted valuation makes these hard money loans an extremely attractive option. While there can be occasional defaults, the investor obtains a real estate property that can be sold and still provide a sizable gain. In addition, all insurance, title search and legal documents required in bank-sponsored loans are also required on these deals.

Convenience

The same private money lending companies that bring investors and borrowers together for hard money loans can also provide access to a wide variety of investment services. You can be as involved as you like or can simply wait for your monthly payment.

6 Reasons Borrowers Should use Hard Money to Fund Deal

Private money lending or "private hard money loans" are an excellent investment choice for established and experienced real estate investors. The process offers a far better platform for the explanation of complicated but deals to accredited investors.

Availability

There are thousands of accredited investors willing to invest in real-estate secured deals that ordinary banks will not or cannot back. Not having access to traditional bank funds is not an end for a complicated but otherwise sound deal. In other words, there is a significant amount of capital in active search of excellent, real-estate secured deals.

Versatility

Institutional or government requirements are often the reason that many traditional banks decline to fund an otherwise excellent real estate deal. Individual investors do not have to adhere to the same protocols and can make informed decisions based solely on the merits of the deal.

Affordability

Interest rates are comparable to many traditional bank loans when all the fees and points are considered. In addition, terms are not set in stone and the details can be customized to meet the needs of either the borrower or the investor.

Responsiveness

Accredited investors have usually been involved in their own business or in a firm at an executive level. As such, they understand the need for making decisions in a timely manner. Borrowers can trust that they will have a response in the shortest possible time without the need for the investor to confer with committees or oversight boards.

Security

Borrowers know that they are obtaining funds from legal, reliable sources. Contracts are binding and the borrower can rely on the fact that the requirements of the deal will be honored. All traditional safeguards in a real estate deal are observed so that both the investor and the borrower can make informed decisions and act accordingly.

Ease of Use

There are highly reputable third party brokers who bring interested parties and private hard money loans together. These firms vet the deals, the investors and the borrowers. In addition, they can add value to your business part by providing access to a broad range of borrowers, brokers, realtors, and investors.

10 Must-Knows About Hard Money Loans

Hard money loans made by private investors are one of the best sources of financing for investors looking to take advantage of the great prices in California's residential housing market. With attractive terms and rates on one to four unit homes, they make it possible for you to purchase great opportunities even in today's constrained lending market. Here are 10 things that you should know about these exciting financing products:

1. Hard money loans make tough transactions possible. When you have a slam-dunk transaction that will not pass muster with a bank, they are your best option.

2. They are less expensive than you think. While hard money typically costs more than a bank loan, most borrowers can get loans at very favorable rates and terms. Given the returns that most real estate investors expect to make from properties bought with hard money, the loan is quite inexpensive.

3. Cash reserves matter. Most private lenders want to ensure that you have enough money to service their loan, no matter what.

4. Private loans can be used for construction and rehab financing as well as for straight purchases.

5. Hard money loans are fast. You can expect your loan to close in days or weeks instead of months. While loans usually take two to three weeks to close, three day closes are possible.

6. Hard money lenders are flexible. Since they are private individuals, they can frequently structure loans creatively to meet your specific needs.

7. Flips, rehabs and other distressed property transactions are not a problem. If they will make you money as an investor, they are a perfect opportunity for a private lender.

8. Access to private mortgage loans makes it easier for you to get the best deals. Being able to buy with no loan contingency or with a very short loan contingency makes you a much more attractive buyer to the sellers of distressed property with a great deal of upside.

9. Hard money loans are available with 30-year amortization periods or, in the case of short term loans, on an interest only basis. This frees up more cash flow for you to use to make other investments.

10. Private mortgagers are usually more worried about your character than your credit score. While you must be creditworthy, most private lenders will not immediately dismiss you on the basis of your FICO score alone

5 Reasons Mortgage Brokers Should Partner with Hard Money Lenders

A successful mortgage broker understands the powerful impact that networking has upon their business. It is in the Brokers best interest to develop strong relationships with the RIGHT people. By doing so, you will benefit yourself while simultaneously becoming a more valuable resource to your clients. Here are 5 reasons why you need to develop a relationship with several hard money lenders.

1. Easy commissions on loans that close fast and require almost no work on your part.

2. Instead of having to turn-down a prospect you are actually finding them a solution thus creating future business for yourself.

3. Many private money loans are paid off by obtaining a less expensive agency loan at some point in the future thus giving you an opportunity for additional business.

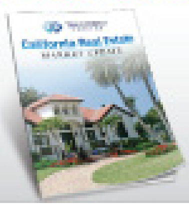
4. Okay, those are the obvious advantages, consider the following. Private lenders are spending all of their resources building and nurturing a client base of high net worth people that are out buying investment real estate. Those people also have plenty of “traditional” borrowing needs as well. And, they are out there selling real estate and meeting plenty of buyers that could be referred to YOU.

5. Private Lenders are also out there working with realtors on closing purchase transactions. YOU should be getting some of those purchase loan referrals.

The bottom line is that working with private money lenders is not just about the commissions earned on the hard money loans, but also about growing YOUR business. Ask for those REFERRALS. Be the broker that clients can depend on and ALWAYS have the solution they are looking for.

Available Resources

FREE Market Report



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10 Ways to Invest in Trust Deeds

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What You Should Know...

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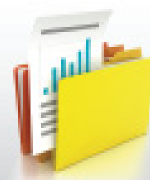

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