

SFR Capital Guide to Private Lender Advantages

Advantages of Hiring a Private Lender

Planning to make some property investments but have no money ready? Many lenders are willing to quickly lend you the funds provided you meet their loan requirements. But you need to explore your financing options and to ensure that you work with the best lender for you and your project.

Private lenders are some of the available options in the real estate market and come with many advantages. If you have no experience working with a private lender, you need to start educating yourself on the subject before taking a loan. Here are the advantages you'll get from a private lender.

1. Private Lender Has Much Easier Underwriting

One of the things that deter people from applying for loans is the paperwork and the requirements involved. When compared to traditional lenders, private lenders have very few requirements. If you're borrowing for a property, all you need is sufficient equity, enough cash for monthly payments, experience to execute your plan and a good loan repayment strategy.

With much easier underwriting requirements, you'll have better chance of getting your loan approved with a private lender. Traditional lenders with a lengthy list of required documents and criteria quite often decline loan applications

2. Private Lenders Have Flexible Loans

To get a [hard money loan](#), you have to consider different variables. Check the loan fees, application requirements, and interest rates, extension options among others. All these variables are negotiable if you choose to work with a private lender, and you can choose the very best terms for you.

You can shop around from one lender to another until you find the terms that suit your needs. This kind of flexibility makes these loans some of your best loan options.

3. Full Control of the Process

When working with a private lender, the real estate loan terms entirely depend on you. The loan type gives you control over the process.

Both you and the lender are not subjected to strict policies outside the company. The lender decides on the suitable interest rate to charge, and with some lenders you have the freedom to negotiate many the terms of the loan.

4. Real Estate Collateral

Private lenders lend against the value and equity of the real estate collateral. That's a big difference from traditional real estate mortgage lenders.

5. Credit Improvement

If you borrow from a private lender, you have an opportunity to improve your credit score. If you borrow and make your loan payments on time, you increase the trust that other lenders will have in you. Although private loans do not always appear on your credit history, many lenders request 12 months of payment history to ensure a positive track record. Having a [good credit score](#) increases your chances of getting a traditional long term loan in the future.

6. Fast Loan Approval and Funding

The speed at which your loan application gets approved and the loan closed and funded is a huge advantage for true private lenders. In many cases, you will be speaking with a decision maker at a private lender. That will not be the case with traditional real estate mortgage lenders. In some circumstances, it takes as little as two weeks for you to get your loan approved and funded.

Private lenders will consider things like the condition of the property, your down payment, equity, and experience when underwriting your loan.

7. Private Lenders Finance Projects That Can't Be Funded Elsewhere

Private lenders are willing to finance projects that conventional lenders like banks will reject. For instance, [fix and flip loans](#) don't work with bank borrowing requirements. The property collateral quite often is not in good condition that qualifies for a bank loan.

8. Simplified Loan Process

Fewer requirements with [SFR Capital](#) mean an easy, quick and certain loan application process. Some of the advantages and reasons real estate investors use [SFR Capital](#) loans are:

- 1) No borrower principal credit check
- 2) No borrower principal income statements
- 3) No borrower principal bank statements
- 4) No prepayment penalties
- 5) No third party appraisal cost
- 6) No application fee
- 7) No underwriting fee
- 8) No document preparation fee
- 9) No hidden junk fees
- 10) SFR Capital wants you to succeed
- 11) SFR Capital wants you as a repeat borrower for many years to come
- 12) SFR Capital makes the [loan application](#) process – **Easy Fast Certain**

Private Lenders Get the Loan Funded

Taking a loan from a private lender like [SFR Capital](#) is the choice many experienced residential real estate investors make. If you have questions about private lenders, SFR Capital or the loan application process, check out our FAQs on our website, call or email us and we will be happy to help.