

Bridge Loans



Help your clients buy a new property before selling their existing property

This program is designed for borrowers who desire to purchase a new property using equity from an existing property that is listed for sale. These loans are usually secured by a second mortgage on the existing property and a first mortgage on the purchase property. A typical situation is where the buyer wants to quickly secure the purchase property or where the seller is unwilling to consider offers with sales contingencies.

Benefits

- Provides the borrower with the extra time and flexibility to sell their existing property
- Allows the borrower to act quickly to take advantage of bargains in the real estate market or in securing their dream property
- Interest-only payments keep payments affordable
- No prepayment penalty

Unusual Situations

- 1031 Reverse Exchange
- Entity on Title or on the Note - LLC, Corporation, Partnership, Trust all accepted with a Personal Guarantor
- With sufficient equity, borrower can pull additional cash to establish a debt service account to pay partial or full payments until the existing property is sold, easing the financial stress of having two mortgages
- With sufficient equity, borrower can finance 100% of the purchase property and not need cash out-of-pocket for a down payment

General Guidelines

- Listing agreement required for existing property
- Marketing plan required for listed property
- Available for owner-occupant, investor and foreign investor
- Loan amounts up to \$5,000,000
- 12-month loan term for owner-occupant and investor purchases
- Maximum Combined Loan-to-Value (CLTV) of 70% on both properties
- Fee simple properties only
- Improved residential properties only (no vacant land)
- Overall strength of each loan will be evaluated based on all compensating factors

Need an Exception? Call today to discuss your loan situation.

We are experts at crafting custom, common sense solutions for uncommon lending problems!



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