

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, the borrower can pull additional cash out to establish a debt service account to pay partial or full payments until the existing property is sold, easing the financial stress of carrying two mortgaged properties
- ◆ With sufficient equity, the borrower can finance 100% of the purchase property and not have to use cash out-of-pocket for a down payment

General Guidelines

- ◆ Listing agreement required for the existing property
- ◆ Marketing plan required for the listed property
- ◆ Available for owner-occupant, investor and foreign investor
- ◆ Loan amounts up to \$5,000,000. Call to discuss larger requests.
- ◆ 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



FINANCE FACTORS

SAVINGS • CDs • MORTGAGES

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