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How to get better results from lenders - by Kevin Meehan

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Whether you are just starting out or a seasoned investor, obtaining a commercial property loan today can be a very time-consuming and daunting task. Many people often ask if there are any insider tips to getting better rates, terms and even faster responses when dealing within the finance industry. The short answer is yes, hire a professional intermediary that deals in the business every day. If qualified, they will be able to not only guide you through the maze, but will make getting and closing the loan a lot less stressful.

I use the word “qualified” to emphasize that there are a lot of people and companies out there that have no credentials or background to be working on complex financial matters. In fact, in some states no individual or company may act as a commercial mortgage intermediary unless they are licensed first as a real estate broker. Other warning signs also include individuals that just want an upfront fee with no intention (or ability) to even obtain what you seek.

Whether you use a qualified intermediary or try to go at it alone, here are some useful tips that will certainly benefit your endeavors in the marketplace. First, make sure that your initial submission contains the basic needs to allow a proper evaluation. You should, at the very least include:

1) property details;
2) income and expenses;
3) rent roll; and
4) borrower profile.

Surprisingly, many loan requests get rejected or put aside not because the deal was bad. Rather, it may have taken too much effort for the loan officer to understand the deal or maybe the submission was incomplete or the loan request just did not fit the current lending box of that lender.

At the end of the day, if you want everything to go smoothly and obtain the best terms, make sure that:

a) the requested loan fits within the lender’s guidelines,
b) the borrower profile (background, net worth, etc.) meets the lender’s current preferences,
c) everything is provided in a timely manner, and
d) the lender has a high confidence that the deal will close either through a trusted existing relationship or through a trusted advisor.

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