

# MENTOR FINANCIAL GROUP

Commercial Private Money Mortgage Specialists

6977 Navajo Road, Suite 198  
San Diego, CA 92119

Tel: (619) 987-9433  
Fax: (619) 308-5022

[www.mentorfg.com](http://www.mentorfg.com)

## TYPICAL DEAL TERMS

*What You Should Know About Hard Money Loans*

by: Weston A. Jones, Principal Broker

February 12, 2004

### SO, YOU FOUND A GOOD DEAL AT A GREAT LTV...

So you found a good deal at a great LTV and can't go to an institutional lender because of bad credit, need funding in two weeks or sooner. So you have to go "Hard Money." It's actually going to get your deal closed and put money in your pocket, but since you never have gotten a hard money loan before; what can you expect?

At Mentor Financial Group ("MFG"), we have funded deals we know and will tell you what it is you can expect when taking out such a loan. Each deal is unique, so nothing is set in stone, but here are some of the expectations you should have when getting Hard Money loans:

1. Title insurance is a must.
2. All delinquent taxes, loan payments, etc. will be taken out of the proceeds.
3. Insurance, typically, will add the lender as a co-insurer.
4. Fund control is always set up on construction, development and any loans which have budgets.

5. Borrower will pay all closing costs, fees, etc. out of proceeds.

6. Many lenders require the property be put into a single asset LLC, which the loan is made to.

7. Assignment of rents is typically set up, even if there are no rents.

8. Interest is, in most cases, at least partly in a reserve or prepaid.

The process includes due diligence, ordering of the preliminary report, opening escrow, drawing of and signing of documents, recording of documents and distribution of funds. Expectations adjust based on each type of deal so borrowers may need to be flexible.

Remember, each loan is different. MFG can help you understand what to expect. Contact us at 866-MENTOR5 (636-8675), fax 866-291-1065, [Weston@mentorfg.com](mailto:Weston@mentorfg.com) or visit our web site at [www.mentorfg.com](http://www.mentorfg.com).

### WE'RE FAST MONEY

At Mentor Financial Group ("MFG"), our business is to fund investments secured by trust deeds on

commercial real estate, including income producing properties (i.e. apartments, office buildings, etc.), land and development projects (i.e. construction loans, rehabs, condo conversions, etc.) and non-owner occupied residential properties.

### GOT DEALS?

#### CHECK OUT OUR SUPERIOR SERVICES, FUNDING SOURCES AND REFERRAL FEES:

- Keep clients happy and earn referral fees.
- \$500MM available for funding San Diego deals!
- Over 100 San Diego based funding sources available.
- Your clients are yours!
- Once file is complete, 48-hour funding answer in most cases.
- Deal sizes from \$500K to \$250MM.

Don't waste time! Call **Weston A. Jones** today at **(619) 987-9433** and ask about our referral fees, or visit our website at [www.mentorfg.com](http://www.mentorfg.com).