



LOGO



# Investor Cash Flow Vs. Hard Money

There are hundreds of thousands of residential investment properties being financed with hard money.

### Why would a borrower or property investor use hard money?

- Number one reason is that the borrower does not show enough income to qualify with an agency loan
- Borrower has over 10 financed properties (Freddie stops at 5, Fannie stops at 10)
- Borrower wants the vesting in a LLC
- Tax returns have not been filed

### What are ICF (no doc) program terms:

- 30 year fixed, no ballooning
- No income, no taxes or 4506
- Zero points charged
- LTV up to 80%

### What hard money can do that the ICF program cannot?

- No need for an appraisal on certain loans - ICF requires an appraisal
- Properties do not need to be in average condition
- Unique properties that ICF loans will not allow
- Closing in 3 days with hard money - ICF would need 9 days
- Cross collateralization

### What are normal hard money terms?

- Two to five year balloon notes
- No income, no taxes
- Charges two points to the broker for origination
- Max LTV at 80%

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