

10 Steps for a Fix and Flipper to Find a Hard Money Loan

Many real estate investors are enjoying a banner year buying, fixing and flipping single family residential real estate. Smart investors are taking advantage of these favorable market conditions to buy more homes using hard money loans. Hard money loans can provide leverage to stretch the investor's cash into 2, 3 or 4 properties as opposed to paying cash for a single property. Below are the steps needed to secure a Hard Money Loan for a Fix and Flip:



10 Steps to a Fix and Flip Hard Money loans

- 1. Find your Hard Money Lender** – In California, be sure and select a Lender that is a member of the California Mortgage Association at [California Mortgage Association Member Directory](#)
- 2. Get Pre-approval letter from your Hard Money Lender** – A Pre-Approval Letter allows you to show the Short Sale or REO Agent that you will have the funds to close.
- 3. Find and secure the property** – Find a specific area and go to work. Meet the Short Sale and REO realtors, property owners, mortgage brokers, do your marketing and make your money on the buy side of the transaction.
- 4. Analyze and Establish Construction Budget**
- 5. Secure a Hard Money Loan** – Many lenders have “Request-a-Quote” forms that can get you a quick financing commitment
- 6. Prepare Personal Financial Documentation** - You will need bank/brokerage statements and will need to show the financial ability to pay the mortgage
- 7. Clear Loan and Title/Escrow Conditions** – Make sure you are getting Title Insurance from a reputable firm and ensure your lien is in 1st Position
- 8. Assemble Down Payment and Rehab Funds**
- 9. Review and Sign Loan Documents**
- 10. Close the Purchase and Financing Transaction** – Ready set, start demolition

These 10 steps will get you on your way to using a Hard Money Loan for a Fix and Flip purchase. If you make timely payments and successfully flip the house at a profit, your Hard Money Lender will work with you again and again. In our experience, transaction efficiencies will result on subsequent loans and the terms of the Hard Money Loan can improve which will increase your profits. Have you found your Hard Money Lender yet?

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