

## **Profiting from Hard Money Loans**

*Practical Tips to Enhance Your Financial Freedom  
From The Desk Of Joe & Bonnie Tufo*

---

Having a good hard moneylender will help you to become more profitable. You will be able to take advantage of deals when they come available. You will be able to act quickly if need be. You will be able to obtain a pre-qualification letter from your lender to give yourself more credibility when making offers, and finally, you will be able to act as the bank by connecting your wholesale buyers with your lenders so they can borrow money to buy properties from you.

### **Pre-Qualification Letters**

If you are looking at a lot of properties listed with real estate agents you will need a pre-qualification letter to submit along with your offers on many distressed properties, particularly those that are owned by institutions. You can obtain a pre-qualification letter from a hard money lender for this purpose, and in fact, your offers will carry more weight when submitted with a pre-qualification letter from a lender that is active in your area whom most real estate agents - particularly the ones that specialize in foreclosures - will recognize.

### **Hard Money Lenders and Your Buyers, A Match Made in Heaven**

It is extremely helpful to have a stable of hard moneylenders to call upon to finance the purchase and rehab of properties that you may want to buy. However, even if you never buy a property for yourself, the second and most important reason to develop contacts with as many hard money lenders as possible is that hard moneylenders will be your best and most reliable resource in making sure that your deals are consummated when you sell homes to other investors. You may want to become the bank.

Many prospective buyers for your wholesale properties are not all cash buyers, whether they claim to be or not. In reality, most cannot simply write a check from their bank account, but rather must borrow their money from other sources. Depending on their source of funds, this may or may not be OK. If an investor doesn't have a legitimate source of funds, then it is your job to screen them a little further to determine if they qualify for you to take them to one of your hard moneylenders. Many are capable of making mortgage payments and completing a rehab and would love to buy your properties if they could come up with the cash.

In this case, it is your job to take control of the deal and lead them to the money. Become the bank as well as the provider of the property. But be careful. Maintain control of the transaction and use some discretion in deciding whom you take to your lenders. You don't want to burn bridges with your lenders by bringing them deadbeat buyers who default regularly. Your buyer's credit report should show

intent to repay all of their debts on time, and they should have some source of regular income that gives them the ability to make mortgage payments to your lender.

Ultimately, you want to be able to take anyone who wants to buy a home from you (assuming they meet your minimum criteria) to one of your lenders.

If you would like to apply for a hard money loan through The Mortgage Group, click on our website [www.mortgagefinancegroup.com](http://www.mortgagefinancegroup.com)

©2005 Joe & Bonnie Tufo "Loans with Your Best Interest in Mind"  
www.mortgagefinancegroup.com 925-820-1300 Office 925-352-6000 Cell  
[jptufo@ix.netcom.com](mailto:jptufo@ix.netcom.com) 01403528