



DID YOU KNOW?

That commercial loans take longer to process and close than home loans?

That rates can change often and that they do change often?

That if you wait till rates get to where you want them, you have probably waited too long?

That by the time you try to get the rate, they have changed again?

That Rates & Terms (R & T) are by no means a one size fit all proposition?

Rates & Terms (R & T) among other things depend on:

Debt Service Coverage Ratio (DSCR), i.e. Net Annual Income VS Annual Debt Service

Credit rating of the property owner(s) and their FICO credit scores

Loan-To-Value (LTV)

property type

property location

property condition

etc.

SO WHAT SHOULD YOU DO? We can lock the rate on the loan when we are processing your loan application and you request to lock the rate. Because then the above questions are addressed, we know what size loan, and under which program we are locking the rate.

THEN WHY NOT GET THE BALL ROLLING?

Presently, pre-qualification charges are waived.

Click on [PRE-QUALIFY - Commercial Property Mortgage] on the left-hand pane. Apply now and you will be one big step closer to locking the rate when the rates reach where you like them.

And also look at this:

\$1M, 6.50%, 30-year term, payment of \$6,321 per month

\$1M, 6.00%, 20-year term, payment of \$7,164 per month

Did you notice what happened? Payment was \$843 lower while rate was 0.50% higher!!!

This illustrates that TERM is more critical than RATE.

You want the lowest monthly payment, right? Then you got to get the longest term first and get the lowest rate second. That's how you can get the lowest payment, by having it amortized over the longest term. So, get the longest term and the lowest rate.

P.S. [Amortization Calculator] tab on top of this web page is a good resource to use when deciding whether you benefit from a refinance and also when you are comparing one offer against another. In a recent case the owner wanted \$400K cash out for upgrading the property. The calculations showed that even after getting \$400,000 cash out the new payment was still much lower than the existing payment. Reason? Ours was a 30-year amortization compared to the existing 20-year.