



DID YOU KNOW 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) of the subject property,

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) ratio, i.e. the ratio of loan size divided by appraised value

property type

property location

property condition

etc.

commercial loans take longer to process and close than home loans

rates can change often and they do change often

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

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

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 and we know what size loan and under which program we are locking the rate.

Apply now and you will be one big step closer to locking the rate when the rates reach where you like them.

And also consider 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

You notice that payment is \$843 lower while rate is 0.50% higher! This illustrates that TERM is more critical than RATE; amortized over 30 years results in lower payment than when it is amortized over 20 years even though the rate is 0.50% higher!

You want the lowest monthly payment, right? Then you should try 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 our website 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 loan compared to the existing 20-year loan.