

- TOP SECRET -
TEN THINGS
THAT LENDERS
DON'T WANT
YOU TO KNOW!

Excerpts From The Book...

GET Your Loan Closed!



Written By:
Harlan A. Friedman, J.D.
President and Head Coach



(858) 592-0659
www.LoanForBiz.com

HOW TO SELECT THE RIGHT LENDER

The only way you will know if you chose the right lender is if your deal was closed!

So why would I prepare a white report on KNOWING how to choose the right lender?

Simply stated, it's the "knowing" that is the important factor here; not the doing. If you know you chose the right lender then your chance of closing the loan is significantly greater. The relationship and rapport that you build up with your lender really does mean a lot.

You must be able to talk to your lender and express what deal terms and conditions are important. Next, your lender must respond that they understand what the salient points of the transaction are, and here I'm not necessarily talking about the closing, I am referring to the entire deal structure. More great content in [*GET Your Loan Closed!*](#)

How can you determine if the lender can structure and then subsequently close the loan the way you need them to?

Since you are not able to participate in every loan committee meeting for every loan that is presented for credit approval you need to ask questions of your BDO (Business Development Officer) / Loan Officer that revolve around the bank's current appetite.

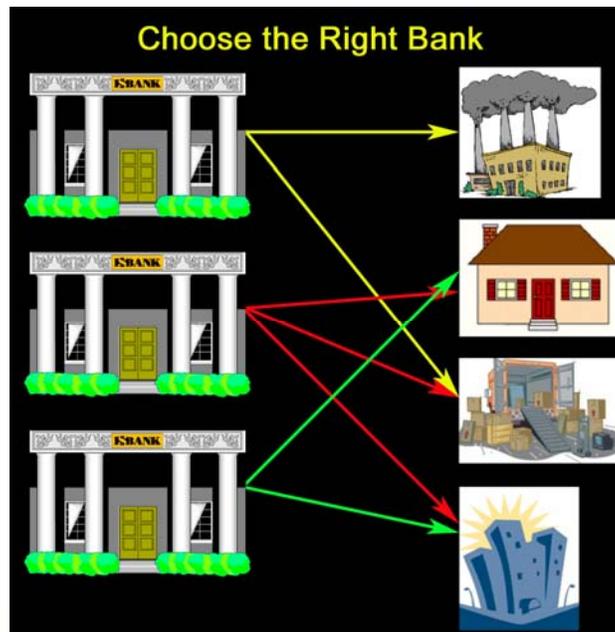
What does food have to do with this? Food is not actually what we are discussing but we are talking about the hunger of the bank. Remember if a bank does not loan out their deposit base then they will not remain in business long. Banks must lend to remain afloat. However a bank must know that they are lending intelligently...and there is that knowing again.

But this time the knowing is on the part of the bank not you. The Lender needs to know the loan they are making is the right one for all parties, the borrower and the bank.

So back to the bank's appetite...

Each Bank has its own niche' some banks like business loans, some like apartments, some like hotels, some like self-storage and so forth and so on. Therefore by finding out if your loan request matches the bank's type of lending criteria you will be more comfortable knowing that there may be a "fit".

For example, a bank that likes self-storage properties may not like apartments even though they both are classified as commercial investment property loans. Don't assume that a bank that lent money for your friend's apartment complex will be the best source of funding for your self-storage loan.



Also... and this is a BIGGY!!!

Find out what this biggy is in , [GET Your Loan Closed!](#)

Do your research on the bank.

The more you know about the Bank's Financial Situation the stronger a borrower you become. The last thing you want is to be dealing with a bank that may be acquired or that temporarily has to stop providing funds while they seek sources for further capitalization. Try to identify and potentially meet with the bank directors (this is more likely to occur in a small town than in a large city) but since I don't know where you are situated I wanted to offer this suggestion as well.

Check out the financial institution's website, most banks have very complete information on their site about the bank, their officers, directors and lending policies. In addition all federally and/or state licensed financial institutions as a matter of banking law have to make their financial statements available to the public.

As another alternative, if you don't want the Bank's propaganda visit this website which is directly run by the Federal Deposit Insurance Company, otherwise known as the FDIC, the guarantor of your money (subject to insurance limitations) throughout the United States.

<http://www.fdic.gov/index.html>.

For more information on navigating this website see our e-zine book [*GET Your Loan Closed!*](#) now available for immediate download. (insert link)

Another method of KNOWING is by interviewing, yes I said interviewing the lender or lenders you are considering. By interviewing the banker and asking thought provoking questions you are establishing your position as a person in control rather than demonstrating a reactive posture.



The most important question you should ask your lender is, “How long have they been at the bank?” followed by “How long have you been in banking?”

Why should that matter?

The significance and relevance of this question pertains to the fact that most bankers are on salary or a draw, plus bonus and commissions. If, they are not closing loans they are not covering their draw and/or making their bonus. But on the other hand, when they are closing loans on a consistent basis they would not leave that very lucrative position would you? Therefore, if they are staying at the bank they must be closing loans and you have a better chance of getting your project funded. But, if they just started at the financial institution that could mean the bank may have a lot of employee turnover. If the bank does not close loans, or they make it so difficult for the BDO's to close loans they will seek other employment opportunities.

See chapter three in [*GET Your Loan Closed!*](#) for a complete list of questions to ask while interviewing your banker. The more knowledge that you can acquire either personally, through reports, or through website review, the more knowledgeable you will be when dealing with your banking team.

I look forward to sharing our next White Report when we delve into Your Credit Score and what it means to the banks while getting your loan closed.