

Hard Money Lender Interview Questions

1. Loan Terms & Structure

- What is your interest rate, and is it simple or compounded?
- What is the length of the loan term (in months)?
- Can the term be extended if needed? What are the extension fees or rate increases?
- What is your maximum Loan-to-Value (LTV) or Loan-to-Cost (LTC) ratio?
- Do you offer interest-only payments, or does interest accrue to the end?
- Is there a prepayment penalty or minimum interest period?

2. Fees & Upfront Costs

- How many points do you charge (origination fee)?
- What other fees are due upfront (underwriting, processing, doc prep, or wire fees)?
- What type of appraisal do you require — full, drive-by, BPO, or desktop review?
- Who pays for the appraisal, and how much does it typically cost?
- Are there any hidden or junk fees I should be aware of?

3. Speed & Process

- How long does it take to close and fund after I submit all required documents?
- Do you offer rush funding for time-sensitive deals?
- Are you a direct lender, or do you broker loans to other investors?
- Do you provide proof of funds letters for offers?
- What documents do you need to issue loan approval?

4. Property Evaluation & Appraisal

- Do you require a physical appraisal, or can you fund off a desktop/BPO valuation?
- Do you fund based on purchase price, after-repair value (ARV), or both?
- For rehab projects, do you fund repair draws upfront or reimburse after completion?
- What is your draw process like — inspections, receipts, photos, or contractor bids?

5. Borrower Qualifications

- Do you check personal credit, and if so, what's the minimum credit score required?
- Do you require income verification or tax returns?
- Does prior real estate experience improve my rate or leverage?
- Can the loan be made to an LLC or entity, or must it be in my personal name?
- Do you require a personal guarantee?

6. Exit Strategy & Refinance

- What exit strategies do you allow — flip, refinance, or long-term rental hold?
- Can I refinance with you into a DSCR or long-term investor loan when the project is complete?
- What happens if I need more time to sell or refinance?
- What are the costs and procedures for loan extensions?
- Do you charge a release fee or reconveyance fee when the loan is paid off?

7. Servicing & Support

- Who services the loan after funding — your company or a third party?
- How do I request draws or communicate during the project?
- How often do you update payoff amounts or provide loan statements?
- What happens if a payment is late — grace period, late fee, default interest?

8. Lender Credibility & Reputation

- Can you provide references from past borrowers or recent deals?
- How long have you been lending in this market?
- Do you have experience with my property type or project size?
- Have you ever failed to fund a loan after issuing approval?
- What makes your lending process different from other hard money lenders?

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