

Funding Strategy Checklist:

REAL ESTATE INVESTMENT IN 2025

STEP 1: SET YOUR FUNDING GOALS

• Identify Your Investment Strategy

- ☐ Buy-and-Hold
- ☐ Fix-and-Flip
- ☐ Short-Term Rental
- ☐ Mixed Strategy

• Establish Your Budget:

- ☐ Determine the total investment amount needed, including acquisition, renovation, and holding costs.
- ☐ Calculate Your Desired ROI
- ☐ What's your target cash-on-cash return or cap rate?

STEP 2: REVIEW YOUR FINANCIAL HEALTH

- ☐ Check Your Credit Score:
 - Aim for 700+ to qualify for better loan rates.
- ☐ Analyze Your Debt-to-Income (DTI) Ratio:
 - Ideal DTI: Below 36%.

- ☐ Evaluate Your Liquid Assets:
 - Ensure you have adequate reserves for down payments, closing costs, and unexpected expenses.
- ☐ Gather Financial Documents:
 - Recent tax returns, pay stubs, bank statements, and existing property income reports (if applicable).

STEP 3: RESEARCH TRADITIONAL FINANCING OPTIONS

- ☐ Conventional Mortgage:
 - Understand loan terms (e.g., 15 vs. 30 years, fixed vs. adjustable rates).
 - Compare interest rates and fees from different lenders.
- ☐ Government-Backed Loans:
 - FHA, VA, and USDA loans—verify eligibility requirements.
- ☐ Portfolio Loans:
 - Check with local banks and credit unions for tailored lending solutions.

STEP 4: EXPLORE ALTERNATIVE FINANCING SOLUTIONS

- ☐ Hard Money Loans:
 - Find reputable hard money lenders and compare terms (interest rate, loan-to-value ratio, fees).
- ☐ Private Money Lenders:
 - Build a list of potential private lenders and prepare a persuasive investment proposal.
- ☐ Seller Financing:
 - Negotiate terms directly with the property seller, if possible.
- ☐ Crowdfunding:
 - Research popular crowdfunding platforms (e.g., Fundrise, PeerStreet) and their terms.

STEP 5: PREPARE FOR CREATIVE FINANCING OPTIONS

- ☐ Lease Options:
 - Find properties where sellers are open to rent-to-own agreements.
- ☐ BRRRR Strategy (Buy, Rehab, Rent, Refinance, Repeat):
 - Build relationships with lenders who offer short-term loans for acquisition and rehab.
- ☐ Joint Ventures (JVs):
 - Connect with potential partners and clarify roles, responsibilities, and profit splits.
- ☐ Home Equity Loans/HELOCs:
 - Verify your equity amount and eligibility with your current lender.



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STEP 6: LEVERAGE TECHNOLOGY FOR FUNDING

- ☐ AI-Driven Lender Match Tools:
 - Use AI-based platforms to compare lenders and their terms.
- ☐ Blockchain Platforms:
 - Research blockchain-based real estate funding options for faster, secure transactions.
- ☐ Online Marketplaces:
 - Explore marketplaces for private lenders, investors, and crowdfunding options.

STEP 7: BUILD A STRONG INVESTMENT PLAN

- ☐ Create a Detailed Investment Plan:
 - Include property details, potential returns, projected cash flow, and exit strategies.
- ☐ Develop a Pitch Deck for Investors/Lenders:
 - Highlight your experience, past successes, and clearly outline the benefits of the proposed investment.
- ☐ Include Risk Assessment:
 - Address possible risks and how you plan to mitigate them.

STEP 8: TAKE ACTION & FOLLOW UP

- ☐ Apply for Pre-Approval:
 - Start with traditional or alternative lenders based on your strategy.
- ☐ Build Relationships:
 - Network with lenders, brokers, and investors through local real estate groups and online platforms.
- ☐ Monitor Your Financing Progress:
 - Keep track of approvals, pending documents, and the timeline for funding.

READY TO FUND YOUR REAL ESTATE INVESTMENT?

Use this checklist to streamline your funding process and secure the best financing options in 2025. Keep this resource handy as you navigate your real estate investments!