

## Important Facts to Remember

There are a large variety of commercial loans available. Some customers may insist on a 10, 15, 30-year fixed loan and that may not be the best loan for their particular circumstance. Most (but certainly not all) commercial loans are for a 5-year fixed period and amortized over a 25-year period. Some loans are "Interest-Only" and yet some may be balloons, etc. There also may be financing available that the business owner is completely unaware of. Listen to your professional for advice. Review all the offers he/she has found for you. The loan officer's job is to find a perfect fit. Example: If your company has poor financials and an imperfect credit record, possibly the best fit would be to take a higher interest rate for 1-2-years without a pre-payment penalty. Your CMI Commercial Investment Loan Officer is highly trained and will be able to advise you. Shopping your loan with more than one broker. Many brokers use some of the same lenders. It is important to be with a broker you trust who has knowledge and experience in his/her field. If a lender sees the same deal come from several different brokers the loan may be thrown out. Unlike residential mortgages, commercial loans are very involved. Tying up a lender's time and indicating you may not commit will only hurt your chances. Your CMI Commercial Investment Loan Officer has over 350 lenders at his disposal. They are trained, experienced professionals. There are not many brokers who can offer the same. Having a particular rate in mind without looking at the bottom line. Some people are so rate conscious that they don't pay attention to the closing costs. Again, your loan officer will advise you on the best loan and fit. Sometimes a rate may not be cost effective. All lenders have different pricing. Remember to look at the full picture. Focus on the monthly payment and the closing costs. They are both important to your company. Many deals, especially purchases require a lawyer to review the documents. It is important that you choose to use a professional "Real Estate Lawyer" who is familiar with the commercial real estate market. Using a lawyer who is a family friend may not be familiar or specialize in complicated commercial transactions in order to work in your best interest. Usually your expenditures will be less costly if you use a professional. Check with your realtor or your broker for recommendations. If you are refinancing, make sure you do not have a costly "pre-payment" penalty. We have seen clients positive they have "no pre-payment penalty" only to learn before the loan closes that they do. Avoid the costly mistake by checking with your current lender first or bring your original paperwork to your commercial broker to verify that fact for you.