

Private Mortgage (1st and 2nd)

Private Mortgages (1st and 2nd mortgage with alternative or C Lender) are usually optimal for those with poor credit, those with little to no income but equity in a property, or those who don't qualify for a mortgage with a Near Prime or B lender.



Home Equity



Bruised Credit

Product Features

Property Type	N/A
Rate	Private mortgage rates are higher than all other forms of mortgage financing. Private lenders charge a fee of 1% to 3.5% of the loan amount depending on the mortgage amount, position, your property and the lender
LTV	They can often go up to 80% of the value of the property, whereas most A lenders have sliding scales based on property values over \$1.5 million, requiring more than a 20% down payment for those homes
Term	Range from six months to two years <ul style="list-style-type: none">This provides time to clean up your credit score or find long-term employment, ultimately boosting your income to qualify for an A lender and lower interest rates in the future
Fees	<ul style="list-style-type: none">Private lenders charge fees on renewals and could also charge additional discharge fees on payoutLegal fees for private mortgages tend to be higher than other types of lenders. In most cases, two separate lawyers are required, with one representing the lender and the other representing you

Qualifications

- Usually don't require income to qualify. Instead, lenders rely strictly on your property and the value relevant to the mortgage amount. They like to see that the borrower has an exit strategy to move up into a B or A lender.
- Payments are generally interest-only, which helps if there are any cash flow issues.
- Private mortgages offer quick approvals and closing times, making access to the loan much quicker. They are also available in short term loans to bridge the gap between permanent financing.
- They allow for the title to a property to be held in a corporation.
- They allow for blanket (Inter Alia) mortgages.
- They offer jumbo size loans for high-end properties that can be hard to qualify for with A lenders.
- Private lenders will give you a mortgage even if you're under a consumer proposal or owe income taxes.

