Bridging Finance Applied As a Open Market Value of Property by Linda John

Article published on January 19th 2012 | Loans

Bridging loans are mainly short-term effects - typically one or two months, but can be up to two years. Literally any residential or commercial property that has a demonstrable value can be used to obtain a bridge loan. Some of the main objectives that bridge loans can be put:

â€¢ Purchase of a residential or commercial property before the sale (or re-mortgage) of an existing property.

â€¢ Purchase of a property where speed is essential to close the deal

â€¢ Funds can be arranged in the property in need of repair or substantial modification pending a long-term mortgage.

â€¢ To prevent the collapse of the financial crisis by releasing the equity in a property.

Bridging loans can either rely on the "restricted sales value" of a property or the fair market value (OMV). The difference is simply the preference of an individual creditor, a trade specialist broker will be very aware of the difference and should make sure this is clear to the customer.

Because the Bridging finance may be based on the Open Market Value property is not at all uncommon to see loans that are organized in more than 100% of the purchase price. This is a great attraction for most real estate investors who are able to negotiate purchases below market value. In the event that additional funds are needed for additional security can be used to "recharge" the loan.

How it functions?

A valuation report prepared in a professional manner is the backbone of a finance bridging loan. Most of the bridge loan applications submitted to background checks, relatively scarce, the client's ability to repay the loan, therefore, the lender has to rely on the safety assessment. Most lenders have a list of bridge inspectorâ€™s preference so it's best to leave the organization of the valuation of its agent.

While awaiting the assessment report that the lender will usually carry out their statutory checks on the applicant and be ready to issue the formal offer documents or letter of installation when the assessment is completed.

The exact process varies from lender to lender, but in most cases once the offer has been issued the assessment report and checked the case is handed over to the lawyers who will conclude the matter.

It is very important that you get independent legal advice when arranging bridging finance. Your choice of attorney will have a considerable influence on the speed of the process can be completed. It is worth checking that your local telephone directories for law firms that have a commercial department, these lawyers are most likely to have carried out such high-speed transactions before. Most lawyers expect to take eight weeks or more to conclude property transactions, bridge loans completed within two or three days of a satisfactory valuation report being received. (Obviously, the author does not intend any criticism of the lawyers!)

Article Source:
http://www.articleside.com/loans-articles/bridging-finance-applied-as-a-open-market-value-of-property.htm - Article Side

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Linda can be one from a Bridging Loan Lenders who is working for mybridgingfinance.co.uk. Here Linda suggest about functionality of a Bridging Loan and uses of the same to their life.

Article Keywords:
Bridging Finance, Bridging Loan, Bridging Loan Lenders, Bridging Loans

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