

## 5 Ways To Finance Your Wholesale Real Estate Deals

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Wholesaling is pitched as one of the easiest and fastest ways to get into real estate and get paid. Finding deals and finding buyers in this market may not be too difficult. If the price is right, the property will sell. That just leaves the question of how you'll fund your deals.

More and more investors are finding that sellers and buyers try to cut them out when they attempt to assign contracts, and aren't closing on the buy side first. Here are five ways to finance your wholesale deals, and some of the pros and cons of each options.

### Cash

You can use your own cash to finance deals like this. It can be extra cash on hand, retirement savings in a self-directed IRA, etc. It may be the cheapest option. The downsides of this are you'll never be able to fulfill your full potential. You will be limited on the number of deals you can do at a time. You are bearing all of the risk or getting stuck with a deal. You won't be maximizing your full ROI potential by using leverage.

### Conventional Mortgages

If you've got awesome credit, plenty of assets, and a perfect income profile, there's a chance you can walk into a bank or mortgage lender and get a conventional type loan. The problem is that few will close fast enough for you. It may take 30 to 60 days to close. Far more than the 1-2 weeks most sellers will expect. You are also going to need appraisals and maybe an inspection. Repairs and low loan amounts can quickly trample your loan application. Not to mention the high closing costs.

### Hard Money Loans

Hard money is great for house flippers and distressed properties. It's typically fast. Though you'll still need skin in the game with your own cash, and likely the money on hand to prove you can afford the rehab. It's expensive money, though that may not matter too much if you are in and out before the first payment is due.

### Private Money

Private money is highly desired by real estate investors. True private money (not hard money lenders advertising 'private money') can offer great fluidity and flexibility in funding deals on the fly and on great terms. Once you start doing great at wholesaling, you'll eventually find these people wanting to fund you and put their money to work to share in your profits. Just be wary of taking the long detours and getting distracted with trying to raise money instead of getting right into investing.

### Partners

There are many potential benefits of partnering up with others, especially if they are bringing all the capital. Just be sure you get everything in contracts and writing to minimize the damage of future partnership breakups. Do the math carefully on your returns and how that compares to other options. Having a partner who will fund 100% of your deal is great. Though, if you're giving up 50% of your profits, that may be far more expensive and less profitable for you than financing it.

### Transactional Funding

Transactional funding provides 100% financing for real estate wholesalers. All with no appraisals or any of the underwriting hoops you'll find with hard money lenders or conventional bank loans. It can be a lot cheaper than you think too. While giving you the ability to close in just a few days. That means you'll be able to beat the competition with better offers, and keep all the profit.

Get in touch with Best Transaction Funding today and get your free proof of funds letter to make your next offer...

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