

# **Why you should consider becoming a private lender**

When you have money in the bank, people will always ask for it. In most cases, the answer should be no.

But unlike lending money to a family member to get out of the pickle-of-the-day, as a private lender you allow others to borrow from you and get a better return than you can on your standard 401(K) or mutual fund.

At BG Wealth Group, we are focused on building wealth by buying properties in rural and developing communities, fixing them up, renting them out to others, and selling them for a profit.

The fact is that a lot of these lucrative real estate projects that we are undertaking are funded by clients who want their money to grow in a safer and more reliable way.

## **Private lending lets you “be the bank” and earn profits in real estate without being a buyer.**

Have you ever calculated how much a person might pay in interest on a mortgage over the life of a loan?

Here's a simple example.

If you had a 30-year mortgage on a \$300,000 house, with a 4% fixed interest rate, you would pay \$215,607.10 in interest if you made the scheduled payments.

But what if the tables were turned and YOU were the one raking in all that interest?

And what if the property was doing better than just earning interest? It was growing in value and generating income and creating the kind of ROI that will let you finally see your wealth grow.

## **Share in the profits without having to do any of the work.**

The BG Wealth Group private lending program is a great option for individuals looking to earn a nice stable return to further build their wealth.

This program offers an annual ROI compounded quarterly to investors, which is facilitated through a debt arrangement.

If you have money saved up, you have a lot of options.

Hey, it's a great problem to have!

But the reality is that, with inflation, the price of everything is going up and you don't want your money *to just sit there*.

Private lending is one of many tools out there to grow your wealth and produce passive income. It is one of the best - yet often overlooked - tools out there.

## **How does private lending work?**

In general, an investor lends capital to individuals or corporations so that they can buy real estate, and those loans are secured with a mortgage.

There's more than one way to go about it.

You can lend money directly to one borrower. For example, you may know someone who has the skills and interest to flip properties but they need the capital to purchase the property to flip. As a private lender you can loan the money to secure the mortgage so that the other person can buy the property and when they sell it you can divide the profits. If the borrower doesn't repay the loan, the property is used for collateral, giving you some extra peace of mind.

Invest in a mortgage investment corporation where funds are pooled and lent out to borrowers and profits are returned to investors as dividends, or be a mortgage syndicator.

In the case of BG Wealth Group, we have a diversified portfolio of properties in several communities with the goal of achieving optimal growth.

## **Why do real estate investors take out private loans instead of going through a bank?**

Private lending provides borrowers with an alternative to applying for a mortgage loan through a big bank or financial institution. This is sometimes necessary because regulations and the time it takes to secure a loan through a traditional financial institution prohibit many people from securing a loan. In contrast, private loans can be closed quickly, and the added efficiency makes it easier to close real estate deals in a competitive buying market.

For example, entrepreneurs and people who are self-employed often struggle to get a traditional mortgage. People who want to get started investing real estate without any money also work with private lenders to get a chance to get started.

We use private loans because, as entrepreneurs, we understand how to leverage capital and build wealth through real estate. It only makes sense to give private investors the opportunity to share in the growth.

## **Can anyone be a private lender?**

Private lending is not for everyone. You need to consider whether you can afford it and can deal with the risks involved. Like any investment, you need to be able to afford to lose the capital that you invest. There are inherent risks in running any business, in the market, legal issues, and in creditworthiness of the borrower. It is important to have a good system in place to manage all forms of risk and optimize your return on investment.

Some types of people that should consider private lending include real estate investors, people with high incomes with cash in the bank, retirees with ample savings who want streams of passive income or successful startup owners.

**If you would like to schedule a call to discuss your options for getting started with private lending, click [here](#)**