

Why You Should Use a Commercial Mortgage Broker

Are you in need of a [commercial real estate loan](#)? Maybe you're interested in purchasing commercial properties like multi-family, RV parks, mobile home parks, self-storage facilities, or maybe you need to refinance your current commercial real estate loan. In either case, it's important to secure the right commercial financing with a trusted mortgage broker to ensure you are securing the best financing to reach your long-term investment strategy.

With so many options available, it can be difficult to know which loan product is right for you. This is where the expertise of a commercial mortgage broker can be invaluable to you in your search for the best financing options as an investor.

This article explores the [key benefits](#) of working with a commercial mortgage broker and why they are the preferred choice for many experienced real estate investors.

What is a Commercial Mortgage Broker?

A [commercial mortgage broker](#) acts as an intermediary between borrowers and lenders to help secure the best financing terms for commercial properties. They are experienced and trained in the intricacies of commercial lending and have a deep understanding of the various loan products available to borrowers.

A commercial mortgage broker is also known as a loan consultant. This title reflects their role as both a broker and consultant, highlighting the consultative approach to understand your investment strategy and then sourcing the best financing options that fit that strategy.

Brokers have access to a wide range of loan products and use their expertise to match borrowers with the best loan option for their investment strategy. As a loan consultant, they negotiate favorable terms and interest rates for their borrowers and help close deals throughout the real estate process. Additionally, they have experience working with numerous lenders and know which lenders can execute on your transaction. This can be extremely valuable and important in times of uncertainty.

The Difference Between a Commercial Mortgage Broker and a Commercial Real Estate Agent/Broker

A commercial mortgage broker is not the same as a commercial real estate agent/broker. While both professions work in the commercial real estate industry, they have different areas of expertise and cannot be used interchangeably.

Additionally, commercial real estate agents/brokers specialize in selling and leasing commercial properties, while a commercial mortgage broker specializes in sourcing and securing financing for commercial properties. However, both commercial mortgage brokers and commercial real estate agents/brokers work closely together and have an important role to play in the management and successful sale of commercial properties.

Benefits of Working with a Commercial Mortgage Broker

While saving on commercial mortgage broker fees may appeal to some investors, there are several reasons to work with a commercial mortgage broker, which could result in saving more money than it costs. Some of these reasons include:

Maintaining Access to a Wide Range of Lending Options

Commercial mortgage brokers have access to a vast [range of lending options](#) that may not be available to borrowers who go directly to a lender. By working with a broker, you can access a larger pool of lenders and loan products which increases the likelihood of securing more competitive financing that better fits your investment strategy.

Leveraging Specific Expertise in Commercial Lending

Commercial mortgage brokers are experts in the commercial lending market and deeply understand the various loan products available to borrowers. Brokers use this expertise to help borrowers navigate the lending landscape and find the best financing options to achieve their goals. Some commercial mortgage brokers have experience in commercial banking and have worked directly for community, regional, and large commercial banks. These commercial mortgage brokers have a deep knowledge in underwriting commercial loans, securing loan approvals from senior credit committees, and navigating the loan process.

Saving Time and Money

Securing the right financing for a commercial property can be a time-consuming process. Reaching out to several lenders, providing financial information to each lender, and answering the same questions numerous times can take days, sometimes weeks, out of your daily routine. A commercial mortgage broker can find the best loan options and negotiate the best terms for you, freeing up your valuable time to focus on other real estate or traditional investments. Often, the amount of time a commercial mortgage broker can save you offsets the fee to engage in their services.

Enjoying Better Terms and Interest Rates

Commercial mortgage brokers have a wealth of experience negotiating loan terms and interest rates for commercial loans. By working with a broker, you can access their expertise and potentially secure better terms and lower interest rates than you would if you went directly to a lender. Brokers do this by creating competition between lenders who are interested in financing your commercial property.

Solidifying A Streamlined Process

Working with a commercial mortgage broker streamlines the financing process, making it faster and more efficient for everyone involved. Mortgage brokers handle all aspects of your loan application and negotiation, ensuring that everything is done correctly and on time. Brokers are educated on what third party reports are necessary to close your transaction on time and when they need to be ordered. They manage all parties throughout the loan process to ensure the loan closes on the scheduled closing date.

Limiting Your Risk Profile

Working with a single lender instead of a commercial mortgage broker is akin to putting all your eggs in one basket.

Suppose the loan falls through after spending all your time and resources with a single lender. Repeating a second round with another lender or a different product will require the same time and effort as the first round. A commercial mortgage broker can minimize that risk by choosing the proper lender and product from their wide range of networking sources to satisfy your capital needs.



Commercial mortgage brokers submit your loan application to multiple lenders to ensure they get the best deal for you. This increases your chances of getting your loan funded while also giving the broker bargaining power while negotiating with lenders.

Furthermore, if an unordinary event occurs with a lender, a commercial mortgage broker typically will have back up lenders that have already analyzed your loan request. Although, this is not the ideal process, having back up lenders can save you time and could be the reason why you close on time.

Experiencing Greater Incentivization to Close the Deal

Commercial mortgage brokers typically get paid at closing. This means they are generally motivated to find, orchestrate, and execute the financing deal as quickly and efficiently as possible while keeping your best interests a priority.

Conclusion

Working with a commercial mortgage broker to help find the best loan products at the best rates is the most efficient method for securing your financing needs. Regardless of the types of commercial loans you need, a qualified commercial mortgage broker can immediately begin to help you navigate your options through their vast network of lender relationships.

If you need someone to help you understand available options and provide you peace of mind in finding the best possible solution for your investment needs, consider allowing [our team](#) of professionals to help you find the commercial mortgage loan that is right for you. Our team is comprised of ex-commercial bankers that understand loan products and how to negotiate and navigate throughout the loan process.

Our commercial mortgage broker team has been helping investors finance their [commercial real estate](#) since 2001, and has arranged close to \$2 billion in financing. We have arranged financing on most types of commercial real estate, including, multi-family, mobile home parks, RV parks, campgrounds, retail, office, automotive, hotels, industrial, self-storage, hospitals, single tenant, mixed-use, and more.

Find out why The Madison Group is the go-to loan consultant firm for commercial real estate investors in the United States by connecting with us today at 435-785-8350 or online at MadisonGroupFunding.com