



Stein Law, PLC Recent Developments

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Great Benefits to Seller Financing

Opportunity abounds in today's market, but as even casual observers know, there is a shortage of traditional lender financing available. One of the techniques being used by creative players in both the world of real estate and business transactions is the use of seller financing.

Seller financing may be an attractive and viable option when a seller does not immediately need the entire cash equity they have accumulated in the asset they wish to sell, whether it is a business or a piece of property.

When appropriate, there are a great many benefits available in these arrangements. In return for providing financial assistance to the buyer, a seller attracts a larger pool of potential buyers, generally completes the sale sooner, and earns a healthy interest rate. Using seller financing might also yield a higher sales price; buyers may be cash strapped in the short term but be perfectly happy to pay more for a piece of property which requires a smaller down payment and avoids the other hassles associated with traditional financing.

Buyers also have a great deal to gain from these arrangements. Seller financing offers less rigid qualification requirements and cost savings by eliminating nearly all loan processing fees and closing costs. Buyers also benefit from the time they save not having to wait for a bank to complete its lengthy underwriting and commitment process. Typical lender controls and audit rights are also removed as an ongoing requirement of the loan. Even where an opportunity is not advertised as offering seller financing, savvy buyers are learning to ask sellers to consider these arrangements. Many sellers are eager to do something to move their property or business.

Like any business transaction, taking advantage of seller financing requires careful consideration to ensure that business terms and legal documents appropriately address the concerns and needs of the parties. We help businesses and individuals make the right strategic decisions in connection with transactions involving seller financing.

For more information about the seller financing and other *Recent Developments* impacting your business please contact **Scott J. Stein** at (480) 889-8948 / scott@steinlawplc.com.

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