



STEIN LAW, PLC Recent Developments

November 2009

The Golden Rule

The **Golden Rule** of the business world is "**He who has the gold makes the rules.**" For real estate investors seeking to **take advantage of distressed market opportunities** without war chests of cash on hand, the absence of traditional financing has transformed many of those with available resources into a new breed of private lenders.

Private lenders of all sizes are the de facto gatekeepers to investment opportunities and carving out a new path in this market in an attempt to fill the void left by the absence from traditional bank lending. These "amateur" lenders can demand a higher cost for their funds, as well as insisting on tighter financial covenants and controls than were typically seen in the boom years. Borrowers seeking private loans generally expect to pay higher interests rates, with shorter terms in exchange for a quicker avenue to the needed funds, less rigid qualification requirements, more creative structuring options and often times the absence of traditional loan fees.

There are **risks** associated with private money lending and those assuming the role of a private lender need to understand how to best **structure their financing arrangements to protect and secure their loan**. In addition to the default risk, lenders need to understand the interest amounts and fees that can be legally charged, regulatory hurdles and how to take steps to avoid pitfalls that could put their loan and the underlying security at risk.

We help private money lenders and investors take advantage of the opportunities in today's market.

For more information please call (480) 889-8948, send an email to info@steinlawplc.com or visit www.SteinLawPLC.com

Upcoming Speaking Engagements

[Scott J. Stein](#) will be presenting a small business boot camp seminar hosted by DeVry University (www.devry.edu) on Friday, November 13, 2009 on loan workouts and strategies for distressed properties.

In the News

[Scott J. Stein](#) was exclusively featured as the "Sole Practitioner of the Month" in the premier issue of [Attorney At Law Magazine](#), a new magazine being launched for private practice attorneys in Maricopa County.



[Scott J. Stein](#) was named among the 2009 *Top People To Know* In Commercial Real Estate by [AZRE \(Arizona Commercial Real Estate\) Magazine](#) in the Attorney category.

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