



WASHINGTON
CAPITAL
PARTNERS

#1793

2018 INC. 5000
RANKING

480

ACTIVE REAL
ESTATE LOANS

\$405M+

IN CLOSED REAL
ESTATE LOANS

251

PERCENT

THREE-YEAR
GROWTH

99.985

PERCENT

INVESTOR
SUCCESS RATE

The New Hard Money

Hard money isn't what is used to be. Case in point: Washington Capital Partners, a private hard money lender that couples real-life investing experience with cutting-edge technology and superior customer service.

IF HARD MONEY MAKES you think of loan sharks and basement deals, you are not alone. However, the space has evolved dramatically in the last six years. If you don't understand these improvements, you could be missing out on an important source of private capital for your next—or your first—real estate investment.

Hard money lenders are private sources of capital that provide loans to real estate investors so they can fund their projects. These lenders are able to work with investors that traditional sources of capital tend to pass on. Because hard money lenders do not have the same regulations and red tape that big banks do, they are able to close on properties faster, which is key in the competitive investor landscape.

Daniel Huertas, CEO of Washington Capital Partners (WCP), a leading private hard money lender in the DC Metro area, explains that his firm uses a simple but thorough application process to evaluate potential projects. His team looks at factors beyond a borrower's credit score and personal wealth, such as the potential

of the investment property. This allows the firm to take on high-risk/high-reward opportunities that make most banks skittish. "Not everyone has the credit score or track record that banks require, especially not new investors. To get their feet wet, investors need a resource like ours—otherwise, they might never become investors at all," says Huertas.

Huertas understands the needs of investors because he has been in their shoes. In 2009, he left a job at a leading financial institution to become an investor himself. "At the time, no one wanted to lend money to me and my partner. The private lenders we met had no manners and did not care about relationships. That's when I decided that rather than be an investor, I would create a way to help investors who have been overlooked." Huertas went on to design a borrower-centric hard money lending firm, purposefully built to address the problems he had experienced with traditional and private lending processes first-hand.

REWRITING THE RULES OF HARD MONEY

Many hard money lenders of yesteryear were "loan sharks." They would knowingly lend money to people who didn't have experience or emergency capital, wait for the deal to go awry, then swoop in to take back the property. "They gave borrowers just enough rope to hang themselves with," explains Huertas.

This could not be more different from WCP's approach. The team won't lend to someone they don't believe in, and once they decide to move forward, they do everything they can to help the investor succeed. Huertas is proud to have a diverse pool of clients, and he is actively looking for new partners to fund. He says hard money lenders in other areas of the country are adopting similar strategies, which is helping to fuel overall growth for the space. The industry has also become more technically-savvy. WCP, for example, relies on sophisticated software to inform its decision-making, track application processes, and monitor projects.

Another critical change is that hard money loan interest rates have dropped significantly. In some cases, they are as much as 50 percent lower than they were just six years ago, explains Huertas. This gives a larger pool of people access to capital and entrance into the investing sphere. The impact that WCP makes is deeper than just its growing client base—local communities also benefit from new development. A new building project can revitalize an area, stimulating economic development that would not have been possible otherwise.

WASHINGTON CAPITAL PARTNERS: "BY INVESTORS, FOR INVESTORS"

Washington Capital Partners offers loan programs designed for standard investing needs (Fix & Flip loans, Refinancing loans, and New Construction loans), as well as specialty loan programs (Transactional Funding loans and Flip-To-Rent Hybrid loans). The key to its triple-digit growth rate is that its lending solutions were designed by experienced real estate investors to meet clients' unique needs. WCP pairs those lending solutions with cutting-edge technology and superior client service, helping it to build long-term relationships with its partners.



The maturation of the hard money industry is a good thing for investors. Now they can expect more from their lender and shop around to find the right fit. Huertas advises meeting with multiple lending partners and considering more than just capital. Every member of the WCP sales team has investing experience, and as such, understands the highs and lows that come with real estate investing. They can advise on the deal itself, provide vendor recommendations, and troubleshoot challenges at every phase of a project. "We are a second set of eyes for our potential partners. We review the deal and provide unique insight, because if you are in the DC area, we have probably worked on a deal just a few blocks away from yours," he says.

It is trite but true: when evaluating lenders, try to select someone who cares, advises Huertas. He has devoted his whole life to helping entrepreneurs. He understands what's at stake, and he feels personally responsible for helping them succeed. Instead of taking umbrage with the lingering misconceptions about hard money lenders, Huertas and his team are working hard to educate the market about better financing and smarter investing. With their influence and dedication, they are rewriting the rules of hard money, one successful project at a time. ■