

No Doc Loans Can Help You Get the Money You Need

So what is a borrower supposed to do if he or she can't prove a history of income? It used to be that you were simply out of luck--no, proof, no loan. Luckily the financial services industry responded to the needs of borrowers in this special situation. Today there are a number of borrowing options available to people who are self employed, are paid primarily in cash or other who just can't come up with the standard proof of income. Among those options are no doc loans.

No doc loans are loans for which the money is lent based on the borrower's word that his or her income is above a certain amount. Instead of copies of tax documents or pay stubs, the person borrowing will certify via an affidavit the income. The lender may check the applicant's credit report but essentially the money is lent on faith. Of course, in order to qualify for a no doc loan, the bank will expect you to have a strong credit history.

While it no doc loans may sound like a risky proposition for the lender, they are a very good way for them to tap into the market for borrowers who have excellent credit and healthy monthly income while they may not have the standard information available. The loans do carry higher risk though and are priced accordingly. That means buyer beware. When you go for no doc loans you need to be prepared to pay a little more than you would for a conventional loan. No doc loans may also be subject to additional fees.

Despite their higher cost, no doc loans can be a very practical solution for those who want to borrow but can't substantiate their income. In fact, some borrowers find that the added convenience and speed of being able to be approved without the heavy paperwork requirements make the additional 1-2% interest well worth it. When you use no doc loans to finance a mortgage you can normally borrow up to 80% of the property value. For business borrowers, these types of loans are often used to finance capital equipment.

In shopping for a no doc loan you really don't need to look for anything that you wouldn't look for in a conventional loan. You want to find the best interest rates and the lowest fees. Once you have the agreement for the loan in place you want to be sure you are well informed on what you are getting into. That means reading all the fine print. But that is good advice regardless of the type of loan you are entering into.

If you are a borrower with good steady income but you lack the ability to verify your income through the standard tools like pay stubs or tax returns, a no doc loan can be the perfect tool to enable you to borrow the money you need. Just do a little shopping and make sure you are well informed on the terms of the loan. With a little homework and some patience you'll have the financing you need in no time at all.

About the Author

Looking for [Lo doc loans](#)? Visit us for competitive rates and information on [Low doc loan](#) and [Low doc commercial](#) .

Source: <http://www.articlegods.com>