

Covering Your Loan Payments

One obvious drawback to borrowing to create on a funded lien is that you pay interest on your loan. But bear two points in mind. First, your loan proceeds would earn you money as they are invested (albeit through a protective entity). Your real cost then is the difference between your interest charges and your yield on the investment, or between what your money earns and your interest payment. You will probably need your liens (and loan) in place for only a short period while your judgment creditor attempts collection. As a practical matter, most judgments are resolved through settlement or bankruptcy within one or two years and therefore you probably won't require a long-term loan. We also have special loan arrangements where you can borrow up to 95% of value on any asset (even with poor credit) and pay only a nominal interest spread. Even poor credit risks qualify.