

What is a point? - Orange County Real Estate

Written by Administrator

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One point is equal to 1% of the new loan amount. Whenever government regulation, state usury laws and/or competitive practices prohibit the lender from charging a rate of interest that would make the real estate loan competitive with other fields of investments, the lender must seek some method of increasing the yield for the investors. By charging "points", the lender can bring the real estate loan up to those other investments. One point is equal to 1% of the new loan amount. Whenever government regulation, state usury laws and/or competitive practices prohibit the lender from charging a rate of interest that would make the real estate loan competitive with other fields of investments, the lender must seek some method of increasing the yield for the investors. By charging "points", the lender can bring the real estate loan up to those other investments. [Joomla SEF URLs by Artio](#)