

Published based on [Private Lending - Can I Use Radio or Newspapers to Find Private Lenders?](#)

# **Private Lending - Can I Use Radio or Newspapers to Find Private Lenders?**

One of the questions I received a lot from coaching students is how can I advertise for private lenders in my real estate investing business. And more specifically, can I use radio or newspaper advertising to get people to come to a free seminar or to call me directly. However, there are real problems with this type of advertising.

A student recently told me he was about to post some newspaper ads and radio promos for a seminar to raise private money for my real estate investing business. He checked with my local SEC office and was told he could not do these types of promotion for private lenders. The SEC said that private mortgages are classified as "securities" and although they are exempt from a formal SEC filing they can not be presented as a "public offering". They also told him they watch the newspapers and airwaves for such offerings and that he would definitely have heard from them if he had proceeded as planned. He then went to two local securities attorneys that confirmed this. One attorney suggested that he promote his seminars as strictly educational and maybe sell a product or book. But that he should not solicit directly at the seminar. After the seminar, he can develop a relationship with interested parties and work those leads as future potential lenders.

We teach students that marketing for private lenders is as much about what you "do" as well as what "NOT to do". I strongly suggest that all marketing for private lenders be done on a low key person to person basis. We like doing local seminars for elderly groups or business associations where you provide some great information about the advantages of investing in real estate mortgages. At these meetings or seminars, you do NOT make an actual offer to invest but do encourage attendees to call if they would like to find out more or possibly arrange a one-on-one meeting. It is at this second or possibly the third or fourth, meeting you can see if the person would actually like to become private lender into your real estate investing business.

We do NOT recommend any type of big or public advertising such as internet sites, public classified sites like Craig List, newspapers or radio ads. All of these have numerous problems including the potential attention of your local or federal SEC departments. I can tell you from personal experience, you do not want these type calls.

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<http://www.articlesbase.com/finance-articles/private-lending-can-i-use-radio-or-newspapers-to-find-private-lenders-698962.html>

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