

Disclaimer: Although the author frequently uses the word “Guarantee” in the article, the reader should be aware that investing of any kind has risk, and has NO GUARANTEE associated with it.

The Consumer Advocate Financial Network Safe Alternative Investing

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More and more Americans are searching for ways to pull away from the stock market and find alternative methods for investing. Undeniably, in the stock market there are no givens, and the expectation of more uncertainty compels further anxiety.

The Consumer Advocate Financial Network (CAFN) is helping investors learn more about creating guaranteed income using court ordered structured settlement transfers and stable short-term investments through secured bridge loans.

Widely regarded as safe, structured settlement investments are not well-known. However, a structured settlement investment can be a profitable move for someone seeking a protected, high return cash flow in the future.

Typically established as a guaranteed, long-term flow of income from a personal injury or medical malpractice lawsuit, or perhaps lottery winnings, structured settlements are paid out over a term of years, rather than in one complete payment.

While guaranteed steady payments are suitable for many people, others find having their money locked up in an annuity is frustrating and inconvenient. For example, sending kids to college, buying a home, paying off a large debt, or starting a business, can all prompt someone to cash-out or sell a portion of their structured settlement.

A number of structured settlements cannot be sold, such as; worker’s compensation payments, payments to a minor, pensions, social security payments, or VA disability or pensions. In all other cases, a judge is required to review the circumstances influencing the request to sell and determine if it is in “the best interest of the holder.”

A structured settlement transfer occurs through a court order, legally transferring the rights to the future periodic payments in return for a lump sum. All terms of the original agreement remain intact and future payments are then legally assigned (or transferred) to the buyer.

Over the past 20 years, the security of these products has been improved and all states have mandated rules that minimize risk and maximize safeguards. Accounting rules have been tightened, (including imposition of risk-based capital testing), mandatory annual audits have been established, uniform guidelines requiring investments to meet standards of security have been implemented, minimum

capital and surplus requirements were formed, and independent reviews, as well as spontaneous audits, are utilized help to ensure compliance.

Structured settlements offer specified terms that are guaranteed to investors, regardless of what's happening in the economy. There is no need to monitor your investment or worry about buying or selling.

While interest on CDs and money market accounts have dropped and many financial institutions are offering less than 1 percent, structured settlement investments offer a 4 to 7 percent annual yield while providing a reliable stream of income, or a generous lump sum payout at a specified future date.

Before investing in a structured settlement, it is always wise to look at which insurance company is backing it. CAFN structured settlements are funded by A-rated insurance company annuities, the highest level of financial security.

If a short-term investment is a more attractive option, first position commercial notes are a lucrative and safe selection. Also liberating investors from the stock market, these opportunities offer a short-term, high-yield investment in a secure product.

Secured Bridge Loans (SBL) made to commercial property owners, are commonly a one year duration. Each secured bridge loan is attached to a valuable hard asset, the subject property itself, and offers the lender a rewarding yield during the limited time period, while providing a recorded first-lien position.

Each property is thoroughly evaluated with an extensive appraisal and title search to confirm a legally-insured first-lien position.

Offering higher interest, short-term commercial loans, CAFN considers the best time for SBL's is when property values are low, (as evident in the current economic state), keeping the loan-to-value ratio low resulting in greater equity.

The hard assets are worth more than the loans themselves at closing, and while the investor holds a first-lien position in the mortgage, a commercial lending firm holds a second-lien position, by means of the investment fund.

If the borrower should stop making regular payments or default on the loan, the investment fund continues to make payments to the investors as if the default never took place.

Depending on your financial goals, investing in a structured settlement or secured bridge loan provide low-risk opportunities paying higher yields than today's CD's and money market accounts. However, investors should always carefully review every investment and weigh all options before making a choice.