

The Mortgage Broker

When you decide to purchase a house, you have the option of obtaining a loan from a traditional lender, such as a bank, or you may decide to use the services of a mortgage broker. A mortgage broker is an intermediary who represents many individual lenders. He or she can tell you about a variety of lenders and loan programs, and can shop the market for the best deal that suits your particular financial situation.

An experienced mortgage broker can help you understand the whole loan process better including; Interest rates, prepayment penalties, terms, appraisals and other details of the home loan process. At your first meeting, you should be prepared to prove your income and discuss any long term debts you may have.

Meeting with a mortgage broker for pre-

approval before you begin house hunting can help you determine how much you can afford to pay for a home. Being pre-qualified not only lets sellers know that you are a serious buyer; it keeps you in line with what you can afford.

Gather recent pay stubs, credit card bills and information on other debts you may have, such as car loans, credit lines and school loans. If you are receiving help from a family member for a down-payment you will need a signed letter explaining that the money is a gift and does not have to be repaid. During your initial meeting, you will fill out an application form and supply any requested documentation.

In that interview, the mortgage broker should be able to tell you if you qualify for a loan. After your paperwork is submitted, your application should be approved

within a few days. Often, the broker will ask you for additional information. Ensuring you respond quickly will make the process go much quicker. In the final approval stage, you'll receive what is called a commitment letter. The letter of commitment states that a lender is willing to give you a loan based on certain terms and conditions. The commitment typically runs for 60 days meaning if you don't purchase within 60 days, you'll have to have it renewed.

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