



A survey among leading mortgage professionals reveals what they look for when shopping for a home loan for themselves. Here is the top five:

1. Deal only with a specialist.

When selecting a lender, deal only with a specialist in your area of need. For example, if you are applying for an FHA or VA loan, find a Government Lender; for a Manufactured or Mobile Home Loan, find a Manufactured Home Lender; for a Construction Loan, find a Construction Lender. Even Self-Employed Borrowers would sometimes find it wise to find a lender that specializes in loans for the Self-Employed. The same holds true for Business Loans and Commercial Loans. Avoid dealing with a broker or lender that is a “General Practitioner.” By the time they get through the learning curve to do your loan, you will likely spend more money and time and they will probably broker or place your loan with the company that specializes in your area of need.



2. Correct credit problems beforehand.

Correct credit problems before you apply for a home loan. Over 20% of consumers have incorrect information on their credit reports. Most information on a credit report takes 30 to 60 days to reflect a change after the information has been challenged and corrected.



3. Consider short-term rates over long term.



ARM’s Vs. Fixed has always been the Great Debate. However the fact of the matter is that the average person moves every three to five years, and they refinance their home loan every 24 months. Short term rates such, as ARM’s and term loans are always less costly than Long Term Fixed Rates. However, fixed rates are at all time lows and the comfort of a fixed rate often times overshadows the affordability of an ARM.

4. Don’t pick a Lender or Broker just because they seem to have the best rate.

Unethical Lenders and Brokers “offer” interest rates lower than what other lenders offer as a way of getting you to apply with them for a home loan. As a rule, they hope interest rates will fall so they can give you a rate close to what they quoted. However, most Lenders will automatically give you a lower rate when interest rates fall. Ask questions like: How long will it take to close my loan? *or* Will the Rate be locked? *or* Will the loan close during the lock period? Unfortunately, if they were unethical in order to attract your business, they probably won’t tell you the truth when you ask the questions. The truth of the matter is that once you have labored to get through the loan process, the likelihood of canceling is rare. Brokers and Lenders don’t have special deals, “they all fish from the same pond.” If a lender offers a rate that seems to be lower than what others are offering, check it out at web sites such as <http://www.hsh.com/today.html> to see what rates are actually available.



5. Find out what I can qualify for first, and then find the home.



Always obtain a pre-approval for a home loan, before you locate the home. Not a Pre-Qualification, but an actual what is called inside the mortgage industry “a credit and income approval.” Once you locate your home, all you need is approval on the property.

For information, call your representative at Pacifica South Bancorp 800-235-7408