

Prince George Mortgage Brokerage Company

List Of Questions Customers Have To Ask Their Mortgage Broker

Do not choose to work with just any old mortgage broker. Even when you have had to search harder for lenders ready to work with you because of your bad credit, still make time to interview some candidates in order to choose a reputable company. Below is a list of ten questions to ask your mortgage broker.

What Loan is Right for Me?

Whether or not you have good or bad credit, it is important that any broker you select provides loan options which would be best for your situation. Generally, brokers have access to various loan products from many lenders. It is vital to compare lenders to be able to get the best rate. Whether you would like to refinance bad credit or acquire a property, it is essential to select a broker who would work on your behalf and look out for your best interests. If you feel that the lender or mortgage broker does not truly understand the business or is trying to steer you into a cookie cutter loan, look for another representative.

What is the Real Interest Rate on the Loan?

Find out what the APR or likewise known as annual percentage rate is on the loan. This includes fees like the margin, points, closing costs and the interest rate. For people who have bad credit, house loans will have higher interest rates. It is vital to check that you are being given correct quotes based on your credit score. Also, if you are being offered an ARM or also known as Adjustable Rate Mortgage, find out what the rate cap is, how often the rates can be adjusted and what index is utilized to figure out the interest rate.

What Are the Expenses for Acquiring a Loan?

Included in the closing costs are an appraisal, the title search, taxes, document preparation, a survey and recording fees. You will also be needed to pay closing costs for bad credit refinance loans as well.

What Are Origination Fees and Points?

If you have bad credit, paying points is a way to lessen the interest rate on a mortgage refinancing or purchase you can not afford otherwise. Each point is worth 1 percent of the total loan amount. An origination fee is money you would pay to set up your new loan when refinancing. Origination fees could range from around 1% to 5%. It is better to speak with your broker and see if they can eliminate or lessen this fee.

How Does the Mortgage Broker Get Paid?

Any mortgage broker you choose should be able to be honest up front and explain how they get paid. Mortgage brokers themselves do not make loans; instead, they work with you to be able to find the most suitable lender. For example, if you have bad credit, it is important to find a broker who could match you with mortgage lenders who work with such customers. Usually mortgage brokers may be paid by lenders and customers and be given commissions. The yield spread premium is a commission which your broker can receive from a lender to be able to mark up the interest rate of your loan.

Would You Provide An Estimate of Closing Costs?

You will most likely be given a GFE or Good Faith Estimate of closing costs 3 business days after applying for a loan. If lenders know that they should compete for your business, they might be more willing to supply this info prior to you actually applying.

How Long Would It Take To Process a Loan?

Occasionally it can take 45 to 60 days or possibly even longer. Your mortgage broker should be able to include a closing date when drawing up a contract for a mortgage loan. The broker should be able to explain any likely problems which may happen, explain the loan process and deliver a timetable for when the money would actually be available.

What Documents Would I Need to Apply For a Loan?

To be able to secure a loan, there are a few specific documents required nowadays. There are no longer no-document mortgage loans. Like for instance, you will have to provide proof of income and proof of asset together with documents like for example pay stubs, W-2 forms, invested statements, canceled checks and tax returns. If you have previously had credit problems, it will be even more necessary to show a stable and recent financial history.

Would You Lock In My Interest Rate?

During the time that your loan is being processed, mortgage rates can fluctuate and change. Ask your broker if there is a fee to be able to lock in a rate and how long it will last.

Is There Any Fee for Paying Off a Loan In Advance?

If you later decide to sell your home or refinance, this could become vital. Check out in advance how long a penalty period would last and if it would apply if you refinanced through the same mortgage lender.

Make certain that you obtain all the facts, before picking a mortgage broker to work with. Refinancing or obtaining a home is a huge commitment and you must be certain you can trust whoever you hire.