



4 Things You Must Know Before You Buy

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Mortgage Regulations Have Changed . . .

Mortgage regulations have changed significantly over the last few years making your options wider than ever. Subtle changes in the way you approach mortgage shopping and even the small differences in the way you structure your mortgage can literally cost or save you thousands of dollars and years of expense.

Get the Right Information

Whether you are about to buy your first home, or are planning to make a move to your next home, it is critical that you inform yourself about the factors involved.

Industry research has revealed 4 common mistakes that most homebuyers make when mortgage shopping and they can have a significant impact on the outcome of this critical negotiation. If handled correctly, these issues could result in a mortgage that will cost you less over a shorter period of time.

4 Things You Must Know Before Obtaining a Mortgage

1. You can, and should, get pre-approved for a mortgage before you go looking for a home

Pre-approval is easy, and can give you complete peace-of-mind when shopping for your home. Your local mortgage broker can provide you with written pre-approval for you at no cost and no obligation, and be done quite easily over-the-phone. More than just a verbal approval from your lending institution, a written pre-approval is as good as money in the bank. It entails a completed credit application and a certificate, which guarantees you a mortgage to the specified level when you find the home you're looking for.

2. Know what monthly dollar amount you feel comfortable committing to

When you discuss mortgage pre-approval with your lending institution, find out what level you qualify for and also pre-assess for yourself what monthly dollar amount you feel comfortable committing to. Your situation may give you a pre-approval amount that is higher (or lower) than the amount of money you

would want to pay out each month. By working back and forth with your lending institution to determine what this monthly amount is, and what value of home this translates into at today's rates, you won't waste time looking at homes that are not in your price range.

3. You should be thinking about your long term goals and expected situation, to determine the type of mortgage that will best suit your needs

There are a number of questions you should be asking yourself before you commit to a certain type of mortgage; How long do you think you will own this home? What direction are interest rates going in and how quickly? Is your income expected to change (up or down) in the near term, impacting how much money you can afford to pay to your mortgage? The answers to these and other questions will help you determine the most appropriate mortgage you should be seeking.

4. You should seriously consider dealing with a Mortgage Expert

Consider dealing only with a professional who specializes in mortgages. Enlisting their services can make a significant difference in the cost and effectiveness of the mortgage you obtain. For example they can make the process faster thereby avoiding costly delays. Typically there is no cost or obligation to inquire.