

Shopping For Your Mortgage – Loan Comparison Checklist

Interest Rates are subject to change every day just like the Stock Market. In fact, when the market is really crazy, rates can change more than once in the same day. If you really want to make a comparison, apples to apples, you need to obtain interest rate quotes on the same day. Listed below are some of the critical questions that will help you choose your best loan option and compare lenders the right way.

*You want to compare similar loan programs. For example, compare a 30 year fixed with a 30 year fixed...5 year ARM with another 5 year ARM

CRITICAL QUESTIONS	FAMILY MORTGAGE	LENDER B	LENDER C
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1.	Is there an Application Fee?	NO		
2.	Do I pay for a credit report and appraisal up front?	NO		
3.	Will you lock my rate immediately and issue me a lock commitment at no charge?	YES		
4.	What is the rate lock period being quoted?			
5.	How long until I'm approved?	1 Hr from application		
6.	Loan Program being considered?			
7.	What is the interest rate being quoted? 1 st mortgage? 2 nd mortgage?			
8.	What is the loan amount? Is there a second mortgage?			
9.	What are the total closing costs including any discount, origination or broker fees?			
10.	Will you Guarantee the Closing Costs in Writing?? 3/1 Guarantee...click here	YES		
11.	Tax & Insurance Escrows (can be waived for a fee)	YES – All lenders will be the same		
12.	Are you rated with the Better Business Bureau?	YES		

Don't take our word for it, please feel free to check up on us by visiting any or all of the following links:

[Better Business Bureau](#) * [Georgia Department of Banking and Finance #14292](#) * [Georgia Secretary of State](#)

Also please check out what some our [satisfied customers](#) had to say about us!

Loan Shopping Explanation

- 1) Application fees are collected as a way for lenders or brokers to keep your feet to the fire. At Family Mortgage, we have never felt that collecting application fees was a good business practice. We rely on our performance to keep you as a customer, not a security deposit
- 2) We don't want you to pay for anything upfront... no money at all. With many lenders these fees are charged up front and credited back at closing in lieu of an application fee, but they serve the same purpose, they are a security deposit!
- 3) We will lock your rate at any time and at no cost. Many lenders will require you to submit an application and the associated fees prior to locking the rate and some will even make you wait for the appraisal report to be returned prior to locking a rate. At Family Mortgage, we feel that you should be free to lock your rate when **you** think the time is right.... not us.
- 4) The rate lock period being quoted is very important because the rate and closing costs can differ for different lock periods. In order to accurately compare loan quotes you need to compare identical lock periods.
- 5) The amount of time required to get an approval is important. We understand that you want your loan approval to be quick and that is why we make initial processing a priority.
- 6) The loan program being quoted also needs to be identical. For fixed rate mortgages this process is fairly straightforward. With adjustable rate products, there are a wide array of variables to consider, including index, margin, convertibility and caps. Caps come in many varieties including initial adjustment, subsequent adjustment and life cap. While the terms of the ARM don't have to be identical, the information is still vital to evaluating the loan.
- 7) The rate being quoted needs to be from the same day. Rates change daily and in a volatile market, more than once daily, and the best offer from one lender on one day may not be available from that lender on the following day.
- 8) Your total closing costs are calculated on the Family Mortgage Good Faith Estimate on the line "Total Estimated Closing Costs". It is important to understand that closing costs must be considered independently from other loan variables. Closing costs do NOT include any of the following: Prepaid interest, insurance escrow, or tax escrow. The closing costs are not the dollar amount of the check required at closing. Many lenders deliberately muddle the estimate to make this distinction unclear...clarify!
- 9) We guarantee our closing costs because it's the right thing to do. You would never agree to purchase a lamp that would cost between \$10 and \$15... you want a firm price and that's what we deliver.
- 10) Escrow accounts allow the mortgage holder to pay your tax and insurance bills on your behalf. The dollar amount of the escrows should NOT be a determining factor in your loan decision. Your tax escrow is based on the city and county tax bills and the due dates for those municipalities. Your insurance premium will vary based on the amount of insurance you elect to carry. This number will be the same regardless of who the lender will be.