

MORTGAGE SHOPPING MADE EASY



If you're like most people, you probably feel like shopping for a mortgage can be about as much fun as getting a root canal. But it doesn't have to be that way. Here are some basic steps you can take to ensure that you find a mortgage that works for you.

CHECK YOUR CREDIT

Get a copy of your credit report from Equifax.com (or a similar service). Double-check every item listed and if there are any errors or omissions, contact your credit bureau to change them. How's your score? One way to improve your rating is to pay off any outstanding credit card debt.

DO THE MATH

Now that you have an idea of how much you owe, gather up all of your information on your assets (your current home, investments, stocks, bonds, other properties) and add them up. Hint: it's best when you own more than you owe. There are plenty of calculators online that will help you make sense of the numbers and give you a preliminary idea of the mortgage amount you qualify for.

PREQUALIFY

Meet with a bank or lender. They'll ask you some questions that may point out some things you missed in your initial estimate, like liabilities – or assets you didn't realize you had. Using all this information, they'll give you a rough estimate of how much you can borrow. However, this informal process isn't a

guarantee or a pre-approval. It's simply a way to help you gauge the properties you can afford and figure out if you're ready to make this type of financial commitment.

LEARN THE LINGO

Familiarize yourself with mortgage terms and options by doing your homework. Talk to your REALTOR[®], ask friends and family and check out all the websites and articles that have this info about amortization periods, the benefits or fixed or variable rates and more – there a lots of them.

CHOOSE A LENDER

A mortgage is one of the biggest financial commitments you can make, so it pays to shop around. Even if you have an excellent relationship with your bank, there's no harm in exploring the option of obtaining financing from another company.

Many homebuyers have found financing online, whether it's through a mortgage finding service or a bricks-and-mortar institution.

You don't have to leave your home to do it, and you can shop 24/7. The downside of doing it online is that it lacks a personal touch – you may miss out on an option that you might have come across by talking to someone in person.

If you're pressed for time, a mortgage broker can do your "shopping around" for you, and find the best rate available. Before choosing a broker, make sure he or she isn't affiliated with a specific bank or lending institution.

GET PRE-APPROVED

Getting mortgage pre-approval is similar to pre-qualifying, but the result is an approval from a lender for a specific amount, locked into an interest rate for a period of time (normally 90 to 120 days).



So there you have it—the simple steps to get you closer to a mortgage that not only works for you but also gets you into the home of your dreams.