

Special Report From Dennis Rath

Secrets Lenders Don't Want You to Know! Read This 11-Point Report Before You Sign Anything!

The right or wrong decision when signing your home mortgage can mean thousands of dollars difference in interest paid. There are very important considerations to evaluate before you commit to a 15 or 30 year note. For many of us, our mortgage payment is the most important financial decision we'll ever make. Doesn't it make sense to know as much as possible about the financing of our home? Take the time to thoroughly investigate all of your options!

Unbelievably many of us sign the first mortgage placed in front of us. Typically the excitement of the new home purchase reduces the mortgage to not much more than an afterthought. What you read here could save you hundreds or even thousands of dollars. Your real estate professional has established relationships with the top lenders in your area. By aligning yourself with a professional agent you ensure all the financial steps are taken care of properly and economically.

1. Utilize a Lender With Established Ties to an Agent- Lenders are much more flexible with the real estate agents who have done business with them previously. Their relationship establishes them as a team member. The lender and agent work effectively together. That's why a good agent can make substantial difference in setting up the most economical financing. And the right financing can, literally, save you tens of thousands of dollars over the life of your loan!

Negotiate a flexible loan. Some lenders will let you go from a variable to a fixed loan if rates start to go up.

2. Don't Attempt Paperwork Alone- All the paperwork required to complete the purchase of a home can be quite intimidating and frustrating for a home buyer. Make sure you have your lender help you with all the paperwork. Get help from your team, your lender and agent. Their expertise will help alleviate the stress and it will prove to be invaluable before you sign your mortgage.

3. Look at All Your Options- Make sure you see at least 3 loan programs for your mortgage. Lenders have at least 5-7 programs and should work with you and your agent on deciding what is best for your circumstances. Evaluate all your options. After all, it's your money you're spending - not theirs!

4. Demand Service- There is little difference between a bank, savings and loan, or a mortgage broker when it comes to the competitiveness of their loan rates. The difference is in the service they provide. It is their job to serve you! You want to get the loan approved and move into your new home as quickly as possible, *but* don't overlook the fact that you are the one spending the money and they are the ones who should cater to your needs. Don't let the process become so intimidating that you lose that understanding.

5. Stay in Complete Touch- You should receive a written report from your lender concerning every step. This will ensure that no details are overlooked and there will be no surprises.

6. Negotiate a Flexible Loan- Don't just accept the terms they lay down in front of you. Lenders are in the business of loaning money and they want your business. Make sure you examine every option available to you. If you negotiate a variable rate loan, many lenders have the ability to move you into a fixed loan if rates start going up. Make sure that you understand whether or not that is an option in the package you are looking at.

7. Don't Give Up on the First No- Initial decisions are not always final decisions. Going to a higher authority can sometimes get you the loan, but do so with the assistance and compliance of your lender and agent. Many times, special circumstances, when explained properly to the person in charge, will win you the loan.

8. Don't Wait for the Bottom of the Market- The odds of your hitting the bottom of your market are about like the odds of you hitting your state lotto! You will almost never hit the bottom of a market. And trying to time it exactly right is often costly. It usually causes a person or family to miss out on the opportunity to purchase a very nice property. You're better off simply negotiating the best rate and terms you can at the time you find a property. If interest rates go down, you can refinance. This is a much better approach because you won't miss out on the property you've spent so much time locating.

9. Be Honest With Your Lender- Your lender wants to help you with your loan. The only time they get paid is when you get approved. The more information (good or bad) you provide your lender, the easier it will be for them to get an approval. It helps them present the loan in the best light. This in turn helps the loan get the highest approval rating.

10. Become Completely Educated- Pick your lender's brain. Lenders will teach you all about your various options, even if you haven't found the right property yet. They will be very patient with you while you are looking, especially if you have aligned yourself with the right agent. They understand all the up-front work will pay off in future business. Your agent will then continue to refer people to the courteous and service-minded lender on down the line.

11. Get Pre-qualified- Lenders will provide you with a certificate of pre-qualification. By getting pre-qualified, you know exactly what financial parameters to stay within. Your agent and lender will consult with you and help you get qualified for the loan that best fits your needs. Many times, they are able to get you a larger loan than you may have thought possible.

Getting approved for a loan is often times much easier than you might think. I sincerely hope this brief report has been a help to you. If you would like a free, no-obligation consultation, call my office at:

Be completely honest with your lender. Remember they get paid only if you get approved, and complete honesty helps them present the loan in the best light.

Dennis Rath
ERA Rath, REALTORS
Phone 440 331-7772 x 273
Cell 440 289-7284
www.DennisRath.com