

Tips for Buying: Questions buyers should ask a mortgage lender



Most buyers—especially first-timers—know only one question to ask when shopping for a mortgage: What is your interest rate?

But there is a lot more to the mortgage process than getting a good rate. High costs in fees and poor service sometimes come as very unhappy surprises.

Here's a list of suggested questions you might ask a lender:

- How large is your company, and how long has it been in business?
- How long have you been working in the mortgage loan business?
- Are you a licensed mortgage broker or loan officer in Texas?
- What is the process for funding and when will the loan fund (after or at closing)?
- What is the difference between a mortgage banker and a mortgage broker? Is your company a mortgage banker or a mortgage broker?
- What is the name and phone number (and e-mail address) of the person who will actually be processing my loan application? How accessible is that person?
- Tell me about all loan fees. What fees must I pay up front? What fees will I have to pay at closing?
- When will I get a Good Faith Estimate of the costs of the loan?
- Do the costs you are quoting include the lender origination fee?
- Are there loans available with no origination fees? No closing costs? Reduced closing costs?
- What are your interest rates?
- Tell me about any programs that require me to lock in my interest rate. Is there a fee? How long can I lock in the rate? If interest rates go down, can I relock at the lower rate? If so, will there be a fee for that?
- What information must I provide to get a mortgage loan?
- What documentation will I have to provide?
- Will you require current tax returns? (Take note of this especially between Jan. 1 and April 15 if you haven't prepared your return yet.)
- How long will it take to get complete and unequivocal loan approval and be ready to close?
- I plan to stay in this house for ___ years. Can you show me the breakdown of any ARM loans you offer vs. fixed-rate loans to see which could save me the most money in my situation?
- What is private mortgage insurance? Other than a 20% down payment, how can I avoid the private mortgage insurance?
- In the last three months, how many loan applications have you taken and how many have you been unable to close?
- Can you give me names and phone numbers of two or three people for whom you've funded loans in the last two months?

L I N D A M O O R E

2 8 1 - 3 9 4 - 3 7 1 3