

Shopping or Comparing Mortgage Offers

Here's the Inside Scoop on How to do it Right! (Part I)

First, make sure you are working with an experienced, professional mortgage loan officer. The largest financial transition of your life is far too important to place into the hands of someone who is not capable of advising you properly and troubleshooting the issues that may arise along the way. But who can you tell?

Here are four simple questions your mortgage loan officer absolutely must be able to answer correctly. If they do not know the answer... RUN ... Don't Walk RUN... to a loan officer that does!

1) What are Mortgage Interest Rates Based on?

The only correct answer is "Mortgage Backed Securities" or "Mortgage Bonds". NOT the 10-year Treasury Note. While the 10-year Treasury Note sometimes trends in the same direction as Mortgage Bonds, it is not unusual to see them move in completely opposite directions. DO NOT work with a loan officer who has their eyes on the wrong indicators. For more information ["Click Here"](#)

2) What is the Next Economic Report or Event That Could Cause Movement to Interest Rates?

A professional loan officer will have this information at their fingertips. For an up-to-date calendar of weekly economic reports and events that could cause interest rates to fluctuate, ["Click Here"](#)

3) When the Fed "Changes Rates", What Does This Mean... and What Impact Does This Have on Mortgage Interest Rates?

When the Fed makes a move, they are changing a rate called the "Fed Funds Rate". This is a very short-term rate that impacts credit cards, credit lines, auto loans, and like. Mortgage rates most often will actually move in opposite directions as the Fed change, due to dynamics within the financial market. For more information ["Click Here"](#)

4) What is Happening in the Market Today and What do You See in the Near Future?

If a lender cannot explain how Mortgage Bonds and Interest Rates are moving at the present time, as well as what is coming up in the near future, you are talking with someone who is still reading last week's newspaper, and probably not a professional with whom to entrust your home mortgage financing. For up-to-date information ["Click Here"](#)

Be Smart ... Ask Questions ... Get Answers!

More than likely, this is one of the largest and most important financial transactions you will ever make. You might do this only four or five times in your entire life... but we do this every single day. It's your home and your future. It's our profession and our passion. We're ready to work for your best interest.

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Shopping or Comparing Mortgage Offers

Here's the Inside Scoop on How To Do It Right (part II)

If it Seems to Good to be True, it Probably is

You don't need us to tell you that. Mortgage money and interest rates all come from the same places, and if something sounds really unbelievable, better ask a few more questions and find the hook. Is there a prepayment penalty? If the rate seems incredible, are there extra cost (points)? What is the length of the lock-in? If the fees are discounted, is the cost built into a higher rate? These are just some of the questions you can ask.

You Get What You Pay For

If you are looking for the cheapest deal out there, understand that you are placing a hugely important process into the hands of the lowest bidder. Best case, expect very little advice, experience, and personal services. Worst case, expect that you may not close at all. All too often, you don't know until it's too late that the cheapest isn't the best. But if you want the cheapest quote - head to the internet and we wish you good luck. Just a reminder that if you've heard any horror stories from family members, friends, or co-workers about missed closing dates or get a big surprise at the last minute with changes to the interest rate or cost ... these are often due to working with discounted or internet lenders who may have a serious lack of experience. Most important, remember that the cheapest rate on the wrong strategy can cost you thousands more in the long run. This is the latest financial transaction most people will make in their lifetime. That being said - we may not always be the cheapest. Of course our rates and cost are very competitive, but we have also invested in the system and team we need to insure the top quality experience that you deserve.

Make Correct Comparisons

When looking at estimates, don't simply look at the bottom line. You absolutely must compare lender fees to lender fees. These fees are the only ones that lenders control. Make sure lender fees are not "hidden" down amongst the title or state fees. A lender is responsible for quoting other fees involved with a mortgage loan, but since they are third party fees - they are often under-quoted up front by a loan officer to make their bottom line appear lower, since they know that many consumers are not educated to NOT simply look at the bottom line! APR? This can be easily manipulated as well and worthless as a tool of comparison.

Understand That Interest Rates and Closing Cost Go Hand-in-Hand

This means that you can have any interest rate you want but you may pay more in cost if the rate is lower than the market. On the other hand, you can pay discounted fees, reduce fees, or even no fees at all but understand that this comes at the expense of a higher interest rate. Either of these balances might be right for you or perhaps somewhere in between. It all depends on what your financial goals are. A professional loan officer will be able to offer the best advice and option in terms of the balance between interest rate and closing cost that correctly fits your personal goals.

Understanding That Interest Rates Can Change Daily, Even Hourly

This means that if you are comparing lender rate and fees - this is a moving target, sometimes on an hourly basis (all depends on the market). For an example, if you have two lenders that you just can't decide between and want a quote from each - you must get the quote at the same time on the exact same day with the exact same terms or it will not be an accurate comparison. You also must know the length of the lock you are looking for, since longer rate locks typically have slightly higher rates.

Again, our advice to you is to **Be Smart ... Ask Questions ... Get Answers!**

You can imagine, we wouldn't be encouraging you to shop around if we weren't pretty confident that we feel we can give you a great value and serve you the very best.