

## BUYERS getting a mortgage

### □ Ask for referrals

Ask friends, family, your real estate agent, or loan officer for recommendations for lenders. Consider all of your options. Mortgages are available from many different sources, so do some research to ensure you get the best program you are qualified for.

### □ Determine your down payment.

Keep in mind that if you finance more than 80% of the purchase price or appraised value of your home, you may have to buy private mortgage insurance, which can increase your payments. Be mindful of closing costs and other expenses when you determine your down payment, so that you have the monies available that you will need for your home purchase.

### □ Mortgage Constants

The following items must remain constant:

The loan type including your credit profile

The loan amount

The lock period (which will be determined by the closing date)

The date and time of the quote (Rates usually change daily, sometimes they will change multiple times in the same day.)

### □ Obtain quotes from at least three lenders.

Research your options. Make sure that you understand the quotes and what they include. Ask questions when you don't understand something or want something clarified.

### □ Consult with both mortgage bankers and mortgage brokers to get the best interest rate.

Depending on your financial situation, you may find yourself being offered several options. Make the decision that is best for you.

### □ Decide if you want to pay points to lower your rate.

Lenders may offer discount points to lower the rate of your mortgage. A discount point is equal to 1/8 of 1% of the loan amount. So to lower your rate 1%, you would need to pay an additional 8% of your loan at closing. A \$100,000 mortgage at 7% mortgage may be lowered to 6.5% by having you pay 4 discount points at closing, or \$4000. Discount points are not the same as origination points, which may be charged by the lender to cover the costs of making the loan. Consult with your lender for clarification on this.

