

Speed up Your Mortgage Application

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The best way to deal with so much uncertainty in the mortgage market is the fast way. The faster you get your loan approved, the better shot you'll have at the home you want. Here are some ways to speed up the approval process for your home loan.

- Be smart. Financial planners, your REALTOR®, mortgage brokers and lenders are all available to assist you to give you insight on what is likely to be your largest financial transaction ever. The more you know, the faster you can make decisions about how much you can afford, what loan is best for you, and how to shop for the best deal.
- Be creditworthy. Pull your credit report to determine if there are any black marks that could stall your application or get it rejected. You are entitled to one free credit report each year from each of the three major credit reporting agencies -- Experian, Equifax and TransUnion -- which means you can get three different credit reports each year at no cost.
- Be frugal. Certainly stretch to afford the most home you can buy, if you want to avoid the cost of adding on or moving up later, but stretch only within the scope of what you can truly afford. Determine how your mortgage payment will fit your current budget and, to some extent, your future obligations. Don't let the lender make this decision for you.

When calculating what you can afford, don't forget related insurance, taxes, homeowner association dues and any other expenses that come with the cost of owning a home in addition to the mortgage payment. Likewise, calculate the financial benefits of home ownership, including tax breaks and equity growth.

- Be a comparison shopper. Shop mortgage lenders, brokers and online mortgage outlets to compare the best of all worlds. To the extent that it's possible, compare all major loan costs, rates, points, broker fees and other costs to make the best comparison.
- Be prepared. When it's time to complete your mortgage application, have all your "docs" in a row. The application will ask for information about your job tenure, employment stability, income, your assets and your liabilities. Have pay stubs, tax returns, rental agreements, divorce decrees, proof of insurance and any other documentation you'll need to back up statements on your application. The sooner they are available, the faster your application will proceed.
- Be focused. You've done your homework. Settle on one loan. Complete one application and see it through. Don't "double dip." Online applications make it easy to fire off several quick applications, but each one could trigger a credit check. That could send the wrong signal to a lender who could reject an application that yields a credit report with numerous credit checks in a short period.
- Be available. Don't complete an online mortgage application, say at work, if you don't have Internet access at home or you'll defeat the purpose of the automated online mortgage process. Online brokers use e-mail to keep you abreast of your application's progress and some offer online application tracking. Brick and mortar operations may do likewise. Don't plan a vacation, roadtrip or getaway during the application process. If there are questions about your application, you'll need to be available to address them quickly.
- Be about locking down that rate. During the loan application, get a rate lock, in writing. A rate lock guarantees you a certain interest rate and terms. The lock is in effect for a given period of time, which should be stated in the lock contract. The lock cuts down on haggling time for the best rate.
- Be committed. Don't behave like a retail shopper who fills out a credit application in the checkout line. Most housing consumers, 92 percent of those want to buy a home, have no idea if they can really qualify for a mortgage, according to Wisconsin-based mortgage banker and broker Majestic Mortgage Corp. Getting prequalified, even preapproved for a loan have been superseded by getting a real loan commitment. As rock solid as the rate lock, a loan commitment guarantees you've got a loan. All you need to do is sign on the dotted line. When you go shopping for a home, the commitment tells the seller your offer is indeed worth a whole lot more than the paper it's printed on.

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