

10 Critical Mistakes Most People Make When Applying for a Mortgage

Mistake #1: Becoming a “Rate Shopper”

Lenders love to run ads on TV and radio bragging about their super-low rates. Unfortunately, these rates aren't all they're cracked up to be. The rates you see in these advertisements are usually based on the best case scenario. They require that you pay additional up-front fees and that you possess a perfect credit history in most cases. This is why we refuse to post rates on our website. It would be a disservice to you, the valued client. Hundreds of loan programs are available and your rate will depend upon which program you choose. Choosing the wrong program might get you a great interest rate, but cost you tens of thousands in the long-run for other various reasons.

This is why we prefer to talk to you, discuss your financial goals, and then recommend a program that has not only a low rate, but that will also help you achieve your goals. All consultations are always free, including the credit report.

Mistake # 2 – Not Obtaining a Mortgage Pre- Approval

In some areas, a seller may not even deal with you until they can verify that you can actually afford to purchase their home. To them, a pre-approved buyer is essential. But even in cases where pre-approval is not mandatory, it is still wise to consult with All Island Mortgage and receive a pre-approval certificate. Especially considering that the pre-approval process is fast and easy....not to mention it's **FREE!**

Once you are pre-approved, you can embark upon your home buying journey with confidence, knowing that once you find your dream home, obtaining the money to buy it will be the easy part.

Mistake # 3 – Believing You Need Perfect Credit & 10% - 20% Down To Get Approved

Nothing can be further from the truth. Even if you have bad credit, no credit or no down payment, you may still qualify for a loan. There are first time homebuyer programs available that just may put you in your dream home. Many times with little or no money down at all.

Mistake # 4 – Getting Your Loan from an Internet Lender

Large internet-based lenders claim that they have thousands of lenders under one roof fighting for your loan, and because of this, you'll get the best rates and fees. Now the question you need to ask: "If this lender is so cheap, how can they afford this million-dollar television ad campaign?" The truth is that you will likely pay similar cost whether you obtain a loan from the Internet or from an in-town lender. That's where All Island Mortgage is a cut above. We are a family owned and operated full service mortgage company that **Truly Cares!** We are not here to make a quick dollar. We are here to make careers. And we do this by being extremely knowledgeable, professional, honest, and above all putting the clients needs first and foremost.

Mistake # 5 – Working with the Mortgage Broker your Realtor Recommended

Many times, Realtors will refer their clients to a particular mortgage broker. Sometimes, it's because they know that the broker is truly the best. But far too often, it's because the Realtor has a special referral relationship set up with the mortgage company they are referring you to.

This is why you need to interview your mortgage broker. Don't just take your Realtor's word for it! We recommend speaking to a mortgage specialist in depth and making sure they understand your needs and requirements fully.

Mistake # 6 – Working with a Lender Who Offers Few Loan Programs Choices

Not all lenders are created equal. Some lenders, (even ones who seem small), have a larger company who stands behind them with dozens, or even hundreds of loan programs. All Island Mortgage works with over 50 different lending institutions with each institution having over 40 to 50 different loan programs. This is why All Island Mortgage has such an extensive portfolio of loan products, one tailored just for you.

Mistake # 7 – Not Understanding the Difference between Banks and Mortgage Brokers

You need to understand the difference between banks and individual mortgage originators. Banks handle savings accounts, car loans, investment accounts, etc....Mortgages are just one of many services they provide.

At All Island Mortgage, we're different, because we only deal in mortgage loans. We sleep, eat, and breath mortgage loans and nothing else.

Mistake # 8 – Believing that Mortgage Brokers are your Enemy

Studies show that most Americans would rather see their dentist than have an appointment with a mortgage loan officer. The likely reason is that they are afraid of rejection – afraid of the big bad loan officer who will stamp a big red NO on their application. This is far from reality. We don't make any money unless we say YES. As a matter of fact, we love to say YES to people just like you.

Mistake # 9 – Not Disclosing Everything to Your Mortgage Broker

Everyone has had a few financial problems in their past. We understand. We've heard it all and seen it all. So, when you apply, just be honest and disclose any past financial issues. This will make it easier for us to gauge your situation and provide you with the best loan for your needs. If you hold back information, it could greatly affect the speed and difficulty of obtaining your loan. Remember, honest is the best policy!

Mistake # 10 – Making Critical Mistakes Prior to Applying for Your Loan

Without the proper guidance, you are likely to make critical mistakes when it counts most – immediately before you apply for a loan. These mistakes may cost you thousands, or at worst, deny you the privilege of owning your own home. Here are some best practices. Within 6 months of applying for a loan:

- Don't make any large purchases on credit (cars, expensive furniture, electronics)
- Don't move large amounts of money around between your various accounts

- Don't apply for credit cards or other loans
- Make all of your credit card and other loan payments on time, every time
- Don't switch jobs, as employment stability is a key factor in getting approved