

Seek a Qualified Mortgage Consultant to Ensure the Best Results

Home Buyers Face Decisions that Affect Their Long-Term Financial Picture

By Meredith Callahan, Senior Loan Officer
Summit Funding

Sacramento, CA– Taking the step into home ownership is one of the most important financial decisions a person will make in their lifetime. There are many factors to consider when embarking on this venture. Literally hundreds of loan programs are available, and it is important to find the one that best fits your personal long-term goals.

First and foremost, you must have a mortgage consultant in your corner that is willing to take the time to know what your long-term goals are. Communication is the key factor here.

Curious prospective home buyers sometimes turn to Internet-based services just to see what current interest rates are. But a faceless web site will not take the prospect's future financial planning into consideration or guide the potential borrower through the many nuances of the loan process. When shopping for a home loan, be wary of web-based services that offer programs to reel prospects in with attractive rates that are based upon unrealistic time frames.

If a lender is offering a terrific rate based on a 10-day lock-in period, it is unlikely that the potential home owner would actually be able to find their dream home, get through the negotiation process and win approval from a lender within such a short period of time. This is called *short-pricing*, and when it comes time to close the transaction, the rate that was originally offered is simply no longer available. As a result, the unfortunate prospect is bulldozed into a loan program with a higher interest rate.

It is highly unlikely that a qualified loan originator whose business is based upon referrals will use unscrupulous tactics such as this to get new customers in the door!

Once you have found a mortgage consultant that you feel comfortable working with, lay your goals out on the table because it will have a tremendous impact on choosing a loan program that meets your specific needs. One of the most important factors to consider is how long you wish to borrow the money for. For example, if you know you will only be in the home for five years, it wouldn't make sense to opt for a 30-year loan program or pay points up front to secure a lower interest rate. You would not be in the home long enough to benefit from such action.

Your mortgage consultant should be able to narrow down a selection of programs based on the information that you have provided, and present you with an easy-to-read spreadsheet that clearly defines viable options for your interest rate and amortization schedule, monthly payment and any potential savings you may realize by paying points up front.

Moreover, a reputable loan originator will not hesitate to share this information with your tax consultant or financial planner so they may offer additional feedback on your behalf.

Home ownership imparts a rewarding vehicle for building wealth and a strong financial future. The mortgage consultant that you choose should be there not only when your loan closes, but should also provide you with ongoing service to assist you in managing that debt over time.

Meredith Callahan

(916) 765-0820