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11 Deadly Mistakes When Applying for a Mortgage

"...avoid disappointment and SAVE thousands by taking a few minutes to acquaint yourself with these potential mistakes.."

Mortgage regulations have changed significantly over the last few years, making your options wider than ever. Subtle changes in the way you approach mortgage shopping, and even small differences in the way you structure your mortgage, can cost or save you literally thousands of dollars and years of expense.

Get the Right Information - Whether you are about to buy your first home, or are planning to make a move to your next home, it is critical that you be informed about the factors involved.

Everyday people have their mortgage loan turned down because of one or more of these mistakes. By taking these few minutes to acquaint yourself with the "**11 Deadly Mistakes When Applying For A Mortgage**" you can save thousands on your mortgage.

1. Not Knowing How Much Money You Can Put Down

It's important to know how much you can afford to pay in down payment and closing costs when you apply for your mortgage. The more you put down the better rates and terms you're likely to get. At the same time you also need to stay within your means and comfort level.

2. Working With A Mortgage Broker Who Has A Poor Performance Record

Industry insiders know that the most common reason that a sale fails to go through is that the mortgage fails to go through. Ask your mortgage broker about her/his performance guarantee.

3. Not Understanding The Process

Most of us don't shop for a mortgage very often. As a result it isn't something we become familiar with. Work with a mortgage broker who will take the time to answer your questions and uses terms you understand.

4. Working With A Lender Who has Only One Investor

Not all lenders have a range of options when it comes to investors. What if that investor doesn't offer the type of mortgage you need? Or worse yet, what if you need to change loan products after you've started the process? Working with a mortgage broker who has many investors enables you to address these issues without starting the process over again.

5. Making Large Purchases Prior to Your Mortgage Application

Many people think that it is in their best interest to get large purchases completed prior to applying for their mortgage. As total debt is a key component in determining the amount of home you qualify for it is best to wait until after your home purchase has closed to make such purchases.

6. Over Shopping Your Loan

Each time you call a lender seeking the best possible rate and terms you have your credit report pulled. Every time your credit report is pulled you risk decreasing your credit score and thus possibly decreasing the likelihood of getting the best rate and terms. Experts recommend that you select a mortgage broker with a number of investors and do your shopping with her/him.

7. Hiding Things From Your Mortgage Broker

Most of us have experienced times of financial difficulty at some point. While it can be embarrassing to discuss issues like this, your mortgage broker is there to help you get loan approved despite such issues. Your mortgage broker can only help you with those things with which s/he is aware.

8. Making Late Payments

Late payments, especially those within the last year, can be very detrimental to getting the best rate, terms and even the difference of being approved at all. While this might seem like unnecessary advice, **ALWAYS** pay on time.

9. Over Using Credit Cards

Credit cards are a convenient way to make purchases, but if not paid off or balances kept low you might find it more difficult to get the best rates and terms on your mortgage. Keeping your total debt as low as possible helps you get the mortgage that best meets your specific needs.

10. Co-signing On Someone Else's Loan

While it can be a great service to a friend or loved one, signing to guarantee someone else's loan is often a big head ache for the co-signer. Before co-signing you decide if you're willing and/or able to assume the liability.

11. Not Getting All The Facts

It is important to learn the total cost of your mortgage loan, both at closing and for the life of the loan. While mortgages can look a lot alike there can be subtle differences which can save or cost you thousands of dollars. Get all the facts and know what to expect.