

Which Team is Your Mortgage Broker Playing For?

by Informa Research Services

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CALABASAS, Calif.--(BUSINESS WIRE)--As the popular sports saying goes, "The best offense is a good defense." The same can be said for using a broker to get a mortgage.

Navigating the terrain of mortgages--including terminology, conditions, and the process as a whole--can be a challenge, to say the least. Thus, to help alleviate some of the pain often associated with mortgages, many homebuyers seek the help of mortgage brokers to assist in making the process a little less daunting.

While most mortgage brokers do their work in the best interest of the homebuyer, here are a few tips to make sure you get the most out of your home financing experience.

- Acquire basic knowledge about mortgages and how they work. Avoid meeting with a mortgage broker or loan officer without any knowledge of your own. While brokers will take the time to explain the fine (and not-so-fine) print, having basic knowledge under your belt will help you better understand the terms to which you are committing.
- Research available rates online. Brokers work with a number of lenders to offer you a wide assortment of financing options and competitive prices. There are a number of resources available online and in print that you can reference for the most current and up-to-date rates. By becoming familiar with the rates available, you will be able to better evaluate the rates you are offered by your broker.
- All borrowers have the right to full disclosure of all fees, terms, and penalties associated with their loan, so don't be afraid to ask your broker questions. These questions can range from the details of the mortgages you are considering to the nature of their fees. Asking these questions should help establish a good working relationship with your broker. Also, this should help clear up any confusion concerning your mortgage. For example, ask your broker about prepayment penalties. You may not realize that the offer of a lower rate comes with potential restrictions.

Consider seeking out an Upfront Mortgage Broker® (UMB). According to the Upfront Mortgage Brokers Association (UMBA) website, "UMBs disclose their fees...in advance and in writing and disclose the wholesale prices passed through from lenders" (Source: www.upfrontmortgagebrokers.org). This can help ensure that both you and your broker have a clear understanding of what is being agreed upon. The UMBA also states that UMBs represent the homebuyer and the homebuyer's best interest when shopping for potential loans. Furthermore, instead of increasing their commission from rebates or concessions they receive from third parties, UMBs pass along these credits to their clients.

By taking heed and completing your own pre-mortgage training, you and your broker can be a winning team.