



## How to Choose a Mortgage Lending Professional

Homebuyers seeking a mortgage lender face an array of choices when it comes time to get a loan; not all the choices are equal.

The difficult and often stressful task of choosing a home mortgage professional can sometimes seem overwhelming. There are however, steps that can be taken to alleviate much of the worry. Consider the following important criteria while choosing your loan officer. A bad choice can have nightmarish results for you so choose wisely.

### \* Get a referral

You should go about choosing a mortgage professional just as you would a mechanic, plumber or investment advisor - ask your friends, family, neighbors or Realtor for a referral. It's even better if the referral comes from someone who recently did business with that loan officer or from a Realtor with a long-standing, trusted relationship with that mortgage consultant.

Most Realtors have an elite team of loan officers representing different lenders that they work with regularly. A real estate professional makes the choice based solely on the mortgage consultant's fair pricing, top-notch customer service and ability to meet the specific needs of their customers. These mortgage professionals earn repeat referrals by doing great work.

### \* Avoid "Newbies"

Selecting a seasoned loan officer also is important. In the mortgage business, there is no substitute for experience. There is simply too much to know - loan types and programs, how to match a client's specific needs to available products, understanding and working through "irregular" situations - to entrust a rookie loan officer with helping you close the deal. If you do succumb to the enthusiasm of someone new to the business, ask about the support team and make a call to the rookie's manager to be sure your loan request will be reviewed by a seasoned professional.

### \* Check Reputation and References

You also should check a mortgage professional's reputation through your state department of banking or real estate, the local Better Business Bureau, your local Association of Mortgage Brokers and other professional organizations. Even after you've done this legwork, you should always ask the lending professional for a list of references. You should diligently check his or her references, making sure your reference check includes someone who recently obtained a mortgage using the agent.

### \* Know Your Lending Institution Options

There are any number of options today through which you can get a mortgage - banks, mortgage banks, mortgage brokerages, credit unions, investment firms or mortgage subsidiaries of real estate companies, among others.

While products and pricing vary among lenders, the most important distinction to make when considering these options is the level of training and industry expertise of the loan officer.

Counseling mortgage customers and making mortgage loans should be all they do. They should understand and know all aspects of the mortgage industry and be experts in the types of loans they offer.

### \* Choose a Lender with a Wide Array of Products

Loan officers at banks, mortgage banks and credit unions typically work directly for the company that makes the underwriting decision and actually lends you the money. In some cases, it may be easier, or faster, to deal directly with a direct lender. However, in dealing with a bank or credit union, your loan choices are limited to the products offered by this lender. You'll need to shop other mortgage lenders for the sake of comparison.

A mortgage banker on the other hand, is only a direct lender and works with a number of different lenders and can offer a broad array of loan programs or types from which to choose (often 30 or more). In essence, a mortgage banker does the comparison-shopping for you, and often is able to find deals a direct lender cannot offer. Many borrowers prefer working with a mortgage banker for these reasons.

Brokers also have the ability to shop, but are not direct lenders and are at the mercy of a different organization's underwriting and closing personnel.

Offering the best of both worlds are companies that utilize the mortgage banker model. Because these mortgage companies, such as MegaStar Financial, tend to be larger institutions, they have the clout to obtain excellent service. It's the mortgage-industry equivalent of one-stop shopping and can provide you with the optimal combination of product, price and service.