

## **HOW TO OBTAIN A MORTGAGE WITH LESS THAN PERFECT CREDIT**

### **Getting Home Financing Can Be A Quick and Easy Process**

**Many people are under the false assumption that it takes perfect credit to get a home loan.**

In the past few years more and more loan options have become available. In fact, there has been an explosion of options in the home loan market because of recent changes in mortgage regulations. It would be great to have perfect credit but people are human and so many life circumstances can affect your credit score. There are now loan programs for just about any situation.

**Qualifying for a mortgage loan has become a much quicker and easier process recently.**

There are a number of reasons for this change. More and more lenders have entered the mortgage marketplace increasing competition. Financing programs have become more aggressive, pricing has dropped, documentation has been streamlined and transaction costs have come down. It has never been easier to get a loan.

### **How to Simplify the Mortgage Qualification Process What Can a Mortgage Broker Do For You?**

The purchase or refinancing of a home is probably the single largest investment most people make in their lifetime. A mortgage broker offers you the best chance of getting a loan with terms that are right for you, requiring the least amount of documentation all the while answering any questions you may have about how the transaction works.

Like the real estate broker you employ to assist you in selling and/or buying your home, a mortgage broker is a trained professional who specializes in gathering information to find and secure the best financing terms available to you. Mortgage brokers deal with literally hundreds of lenders and are familiar with how different lending programs work. The broker can find simple or unique programs available today to get you pre-approved and on your way to owning your dream home.

**Remember, your broker is on your side to get a great deal and reduce your stress**

#### **1. Be Prepared**

Be prepared to give complete and accurate information and to provide the necessary documents to the broker at the time you apply for a loan. Follow this advice and you can chop weeks off the application process.

#### **Checklist**

(Here is a basic list of documents lenders usually need to qualify you for a loan)

- Two most recent paycheck stubs with two years W-2s or tax returns
- Two most recent monthly bank statements (checking and savings)
- Most recent statements for all investments (IRA, stocks, etc.)
- Homeowners insurance information
- Current mortgage statement or coupon book

## **2. Pre-Qualify Early**

Pre-approval puts you ahead of your competition for sought after homes. It is a free service provided by your broker and takes a very short time to do. You might even find out you qualify for more than you thought.

- A piggyback 2nd mortgage
- A balloon mortgage
- A buy down mortgage
- An FHA/VA loan

## **3. Be Open to Suggestion**

Many people automatically think that a 30 year fixed rate loan is the best for them. It may not be, in fact, sixty-five percent of consumers close on a different loan program than the one for which they applied. Your broker will show you alternative options and programs available to you based on your qualifications and goals. You may choose:

- An adjustable mortgage
- A stated income loan
- A piggyback 2nd mortgage
- A balloon mortgage
- A buy down mortgage
- An FHA/VA loan

## **4. Don't Procrastinate**

Rates and programs are subject to change. Once you lock in to a program, you only have so many days to consummate the transaction or risk losing out on the favorable terms. You might even lose the property. Get the necessary information to your broker as soon as possible to avoid this problem.