

# Mortgage Times

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I'm getting lots of questions and concerns from folks about getting a mortgage. People are worried and wonder if they can even obtain financing right now. Actually, there are still some really good programs out there that help people in various situations. For example, if you are currently not a homeowner, you are still able to obtain 100% financing without PMI ( Private Mortgage Insurance) So you could buy a home in particular areas, and get in with very little money down and have a great payment on a fixed rate loan. This is particularly true if you have a good buyer's agent who can help negotiate for the seller to pay your closing costs, a fairly common situation in this buyer's market.

We've all heard that interest rates are historically low right now, and these ultra low rates, in combination w/ lower home prices, allow your payments to be very affordable.

Even if you're not a first time homebuyer, and even if you don't have perfect credit, you can still get into a \$300K home with as little as 3.5% down. There really is a lot of opportunity out there for families who are in a situation to buy currently. For example, if you are a first time homebuyer, you simply cannot pass up the \$8000 tax credit that comes w/ the Gov't stimulus package. What an incredible opportunity for the first time buyer.

When preparing to buy a home, it is really important you work w/ a mortgage planner and get preapproved prior to you buying. There are two reasons for this. First, *it's* harder to qualify for a loan right now. Credit is critical and in many cases, a family can be very close to almost qualifying for a particular program or better rate. All that is needed is for them to improve their credit scores a little or improve a particular aspect in their loan file. When we preapprove someone, we give them "hints" on ways to improve their credit.

The second reason why getting preapproved is so important is that in many cases, it will allow you to be in a stronger situation to negotiate. Home sellers appreciate that you are actually "approved" and are more likely, statistically, to work with you on your required terms. Getting preapproved makes you a stronger buyer.

It is really important when you do visit with your mortgage planner that you actually go through the *preapproval* process. There is a big difference between getting prequalified and preapproved. These terms are often confused. Getting preapproved is the "real" thing. We evaluate your financial situation and verify your income, assets and credit rating. A prequalification is something you can do on many websites but it is more like a strong guess verses "the real thing".

It is critical now more than ever before, to keep on top of your credit rating as this is becoming the single most important thing in determining your rate and program qualification. The major credit bureaus can take 30-60 days to show something paid or resolved. That's why meeting with your mortgage planner a few months ahead of your intended buying date, is a smart idea.