



## Shopping For Mortgage Quotes

Everyone knows that the smart shopper looks around and compares prices from different retailers to find the best deal. The same is true for smart homebuyers in need of a mortgage. In the home loan industry, there are no sticker tags to compare, but there are interest rate estimates called mortgage quotes. These are ballpark figures showing you the best rate lenders can give you, based on criteria about your financial situation. Getting several mortgage quotes from different lenders can help you get the best deal on your home loan.

And getting these quotes is now even easier than ever. Borrowers used to have to spend lots of time and energy actually visiting many lenders and getting mortgage quotes from each of them separately. Today with the help of technology, you can sit at home in your pajamas and get several mortgage quotes in a matter of minutes. There are many websites that can provide you a quote with the help of simple forms. (Be sure to check that the lender you get a quote from actually handles loans in your area.) If you are not web-savvy, or want to talk to a real person, you can also call around to different lenders for quotes.

When you do ask for a quote online or in person, a lender will need several pieces of information from you. One of the biggest considerations for many lenders is your debt-to-income ratio. Lenders will usually follow the 28/36 rule, which means that no more than 28% of your monthly income should go towards housing payments, and no more than 36% of your monthly income should go toward paying debts, including housing. Some lenders and loan programs that will allow greater debt limits, but you would be wise to keep your ratios down to get the most competitive loans.

To give you an accurate mortgage quote, lenders will also want to know about your credit history. This will often include pulling your credit record to make sure your estimate of your credit is correct. You may want to stick with mortgage quotes that do not require a credit check, as many inquiries in a short period of time can cause your credit score to go down. Another option is to pull your credit report yourself, which you can do for free once a year without affecting your score, and send a copy to lenders that require a credit check to give you an estimate.

Another helpful bit of information for mortgage quotes is your employment history. Lenders will want to see that you have a steady chronicle of work and that you have been at your current place of employment for a substantial amount of time. This knowledge will aid lenders in judging how much of a risk you will be as a borrower.

You should also be prepared to provide information about how much cash you plan to contribute for a down payment as well as what time of property you want to buy (i.e. single family home, townhouse, condo, etc.) Lender will need to know the length of the loan you want (15 or 30 years for example), and the type of loan program you want (i.e. fixed rate or adjustable rate.)

Armed with all this data, lenders can give you their best estimate for the interest rate they can give you as well as how much they think you can reasonably afford. Keep in mind though that the mortgage quotes often do not include the closing costs or extra fees. As you take those fees into account, shopping around for quotes can help you receive the best loan for your new



home.