

UNDERSTANDING THE { MORTGAGE PROCESS }

Pre-Approval

When you find the home you love, the last thing you want to find out is that you can't afford it - or that a contract has been accepted from another buyer.

In today's competitive real estate market, **pre-approval** for a mortgage must be the first step in the buying process.

■ Pre-approval vs. pre-qualification

Pre-approval is a full loan application, where you provide complete documentation and have the application reviewed by an underwriter. It scrutinizes every aspect of your credit worthiness. Pre-approval results in a conditional commitment of a specific loan amount you qualify for. The process may take up to one week.

Pre-qualification is a review of your credit report, credit score and basic application information, entered into an automated underwriting system. Pre-qualification gives you (and potential sellers) an estimated amount of the maximum mortgage you may be able to afford, based on the information provided, but is not a formal commitment. Pre-qualification takes approximately 30 minutes.

■ Why pre-approval?

Pre-approval allows you to **shop for homes in the price range you are qualified for**. You won't waste time (and invest emotionally) in homes you may not be able to afford.

Pre-approval **positions you favorably in the eyes of a seller**, as they know you are qualified to purchase their home. As a result, your offer may be accepted over another buyer who has not been pre-approved.

Pre-approval **allows you to move quickly to write a contract** when you find the home you desire. This is especially important in today's low inventory, fast-paced real estate environment. The next steps would then be acceptance of a contract of sale and an acceptable appraisal on the property you wish to purchase.

■ An insider's tip

Pre-qualification is a great first step, but **pre-approval is the way to go in today's market**.

And guess what? Even if you start with pre-qualification, you'll need to complete a full loan application (pre-approval) prior to getting a mortgage anyway. So you'll actually be doing less work in the long run, by starting with pre-approval.

**TALK TO AN ALLEN TATE MORTGAGE
CONSULTANT AND GET STARTED!**