

Commercial Mortgage Broker Chilliwack

How A Mortgage Broker Can Be Helpful In Real Estate Deals

There is often some uncertainty when differentiating between mortgage brokers and lenders. The actual loan money is provided by a lender, whereas a mortgage broker works as a liaison between the lenders and the borrowers. The mortgage brokers will act for the borrower and work directly with the lender while the lender provides the actual loaned money. Mortgage brokers can either work with a company or independently.

A mortgage broker is responsible for shopping around for the right loan contract that would suit their clients specific requirements. They work directly with numerous lenders to be able to ensure that their clients receive the right loan for their personal situation. It is common for a broker to have upwards of a hundred lender agreements. Thus, brokers can more likely assist clients with specialty needs, like for example problem credit, than individual lenders are.

The procedure for acquiring a loan is easy. Borrowers submit applications to their mortgage brokers, who then use that information to look for a lender and lock in terms and rates. State and federal disclosures are also provided. Credit reports, employment verifications, asset disclosures and property appraisals are acquired by the brokers and submitted to the right lender when the application is deemed complete. It is therefore the lender's task to deal with the disbursement and loan approval.

The mortgage broker is likewise responsible to provide basic credit counseling for their customers. This can be in the form of info about the credit issues the client may have, as well as advice regarding the methods and techniques they may use to secure loan rates that are better. Brokers break down the application process and make sure their clients comprehend each and every factor of their loan. However, once the loan method is complete and the borrower has obtained a mortgage, the borrower is unable to provide any more assistance. All future questions must be asked of the lender.

Generally, the brokers would earn a small commission for bringing the borrower and the lender together. The buyer would indirectly pay the mortgage broker with additional loan points and closing costs. It isn't until after closing the loan that the mortgage broker is paid.