



Work sheet: interviewing mortgage lenders

Lenders interview

Compare several lenders before committing to one. This work sheet provides you with key questions to ask potential lenders. Make a copy for each lender.

Contact information

Lender:

Phone:

Address:

Web site:

Contact name:

Status of application:

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1. What is the interest rate on this mortgage?

To know exactly what you'll be paying in interest over the life of the loan, you need to know the rate. This is the single most important figure to obtain.

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2. How many discount and/or origination points will I have to pay to get this rate and loan?

Lenders can charge points that lower your interest rate and points that provide no benefit whatsoever to you. Find out how many you'll be expected to pay for the loan and which kind of points they'll be.

3. What are the closing costs?

Lenders are required to provide a written good faith estimate of closing costs within three days of receiving a loan application.

4. When can I lock in the interest rate and what will it cost me?

The interest rate of the mortgage you're applying for may go up or down between the time you apply and the time you close. Ask if there is a fee for locking in the rate and if you can also lock in points.

5. Is there a prepayment penalty on this loan?

Find out the duration of any penalty period and how the fee would be calculated.

6. What is the minimum down payment required?

Depending on the amount of your down payment and its relation to the price of your home, you might be charged different interest rates or quoted different loan terms. Loans made at high loan-to-value ratios can cost more than loans with larger down payments.

7. What are the qualifying guidelines for this loan?

The qualifying guidelines can relate to your income, employment, assets, liabilities and credit history. Some first-time home buyer programs and government-sponsored loans have easier qualifying guidelines.

8. What documents do I have to provide?

You will need to provide proof of income and assets in order to get a mortgage loan as discussed earlier. Find out what documents will be required in your particular situation by asking your lender.

9. How long will it take to process my application?

This varies from lender to lender. Get a realistic estimate and use that to figure out how long a rate lock you'll need.

10. What might delay the approval of my loan?

If you provide the lender with complete, accurate information, everything should go smoothly. However, there could be a delay if the lender discovers credit problems, which is why it is critical to get your credit in order.