

Banks vs. Mortgage Brokers

Did you know there are big differences between mortgage brokers and bank loan officers?

Bank Loan Officers

The loan officers at a bank, credit union or other lending institution are employees who work and process mortgages that are originated by their employer. They are often paid a salary plus commission. The loan officer takes your application and works to find a loan that suits your needs.

The loan officer is limited to their own bank loan programs which seem to be more stringent on guidelines. Rarely does a bank have the versatility or expanded solutions/types of loans since *they* are the lender. If your personal credit is approved, the officer moves forward to process the purchase.

Mortgage Brokers

Mortgage brokers are licensed professionals who are paid a fee to bring together lenders and borrowers. They usually work with dozens or even hundreds of lenders, not as employees, but as freelance agents.

Think of Mortgage Brokers as your scouts. They find and evaluate home buyers, analyzing each person's credit and financial situation to determine which lender is the best fit for that person's needs. The broker submits the home buyer's application to one or more lenders in order to sell it, and works with that chosen lender until the loan closes. A good mortgage broker can find a lender for just about any type of credit or situation.

The mortgage broker works to secure your loan while earning a fee for the transaction. Because brokers buy at wholesale prices they can meet or beat the retail bank rates. Shop around to make sure the terms are reasonable.

Which should you use?

A local or online mortgage broker may find you a lender in any part of the country, but a local broker can meet with you on a one-to-one basis.

Out of town banks don't understand all local heating systems, insurance requirements, septic & water systems, assessments, etc.. Knowing local appraisers and choosing the correct one are also an edge to the local broker vs. the out of town lender or bank.

Mortgage brokers can often find a lender who will make loans that a bank refuses due to lack of or bad credit or inconsistent employment history. Loans for unique properties are also easier to secure through a mortgage broker.

Additional decision considerations:

- 1). The best interest rate.
- 2). Lender or broker fees.
- 3). Type of loan; 30 yr fixed, 5/1 ARM, 10 yr interest only, etc..
- 4). Length of rate lock; 30 days or 45 days.

Visit www.KeyMortgageBrokers.com/loaninfo for more information.



Remember to ask about...

Our 100% Financing
30-40-50 Year Loans
No Income Loans
Second Mortgages
Jumbo Loans
First Time Buyer Programs

2 Locations To Serve You...

Fort Myers

239.791.5555
239.849.8573

Sanibel Island

239.935.1011
800.367.2011

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Important Information!
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