**Campaign Topic: First Time Homebuyer, 7 Questions to ask your lender.**

As a first-time homebuyer, you’ll likely have a multitude of questions for the members of your team, many of which can be directed toward your mortgage lender. Feeling a bit overwhelmed? Here are 7 questions you can ask your lender to help guide you through the process.

1. **What loans do I qualify for?** Many first-time homebuyers may not even realize that they are eligible for certain loans. Most notably, if you are a veteran, you are in an opportune position to receive significant help on your home loan. Additionally, you may qualify for a loan through the federal government. A seasoned broker will be able to compile a list of any and all loans you qualify for. Furthermore, a good follow up question for your lender is “what loans does your company provide?” Much like real estate agents, not all loan officers are created equally. You may find that certain brokerage firms are more equipped to handle your specific case, than others. You can do some preliminary vetting via internet research, but don’t be afraid to probe your loan officer for details in person. A reputable lender will have no issue with answering your questions.
2. **What are your closing costs?** As a first-time homebuyer, you may be surprised to learn about closing costs. Homebuyers are often flooded with information about down payments and percentages, without realizing that closing costs will need to be addressed too. Much like a real estate agent, you will be required to pay your mortgage lender for their services rendered. Mortgage brokers, thus, dictate their own closing costs. However, to stay competitively positioned, they are generally within a certain price range. Like most any home buying fee, closing costs will be determined by percentages. Some brokers may even be willing to compromise as a result of special circumstances. This is why you should always ask about closing cost percentages up front, so that you can plan accordingly.
3. **What is your interest rate and annual percentage rate?** As a consumer, you will want to know exactly how much you can anticipate to pay in fees. This can help you decipher if it is a financially viable choice for you to go with one mortgage firm over another. One of the most important fees to be aware of is the APR or Annual Percentage Rate. The annual percentage rate will directly influence the amount of interest you can expect to pay on a loan annually. Interest rates are subject to change, and are typically contingent on factors relating to your personal credit history, anticipated loan amount and down payment. If you’re wondering what these rates may look like, you can utilize a number of different online calculators to help you get a ballpark idea. Certain firms may try to upsell you, or lock you into rates that are disproportionate to the national average. This is why it’s a good idea to ask questions and do some prior research by yourself before consulting with your mortgage firm.
4. **How much of a down payment do you require?** Generally, this is a relatively easy question to answer because most firms are going to require 20 percent down. 20 percent is the industry standard, and is typically all your lender will require from you. If you choose by your own volition to put more than 20 percent down, you are certainly within your rights to do so. However, if a lender is asking for more than 20 percent down, it is best to potentially go with another company. On the contrary, some homebuyers may not be able to put down 20 percent. In this case, it is strongly advisable for you to speak further with your lender. Some mortgage brokers will work with those who can’t make the 20 percent payment, but there are extra terms and conditions that apply when doing so. If you anticipate you may not be able to make the standard payment, it is best to speak candidly with your lender before moving forward.
5. **What documents do you need?** First time homebuyers in particular will want to ask this question. If it’s your first time buying a home, make sure you know exactly what the lender will need from you. It will vary depending on the type of loan you are applying for, but generally, financial documents are needed to get pre-approval on a loan, should you go that route. Your lender will be able to provide you with a checklist of documents needed. The quicker you are able to turn over these documents, the sooner you’ll be able to take the next steps, particularly, knowing if you qualify for a loan to begin with. Be mindful that you will be turning over a considerable number of documents, which leads us to the next question-
6. **How much time will the loan approval process take?** This is a particularly good question to ask, because in many circumstances the real estate market moves quickly. After finding your dream home, you may be ready to take the next step almost instantly. There are going to be various factors that may prolong the process. As the buyer, you do have the ability to move things along at a quicker pace, depending on how punctually you can turn over documents that your lender needs. In that regard, you can propel the process forward. Typically, the average loan processes anywhere between 21 and 45 days. This should give you a general timeline from which to work from, although you never know what other factors may slow down your process time. Regardless, definitely make sure you’re on the same page as your lender, so that when it comes time to make an offer, you know where you’ll stand with your loan processing.
7. **How do you communicate with your clients?** While real estate is a number’s game, it’s still important to vet lenders based on their communication styles. Having a good lender who you trust, will make a difficult process infinitely easier. With that said, it’s a good idea to take the temperature of the room when meeting with your lender. How long does it typically take to hear a response from your lender? How do they like to communicate- via text, phone, or email? Knowing this information beforehand will help ease some of the anxiety surrounding communication.

**Always remember, that when it comes to making a decision as big as a home purchase, there are no stupid questions.** The aforementioned are great bassline questions to ask when speaking with your lender. However, don’t be afraid to compile a list of your own questions should you feel the need to do so. A reputable lender will be able to guide you along the process, and give you all the information needed to feel comfortable.

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