



**Sunday Column**

**By Grant Lopez, 2019 Chairman**

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**Mortgage Myths Uncovered**

Think you don't have what it takes to qualify for a mortgage? Is your credit score a little low, or you don't think you can cover a 20% down payment? The good news is, many of your worries may be based on myths, there are many programs available to people who want to be homeowners but don't have the perfect financial situation.

*Myth #1- I have to have a 20% down payment*

Saving 20 percent for a down payment is hard work and for some people impossible. The good news is that there are programs available to home buyers that require much less than 20 percent. Talk to your preferred mortgage lender about the programs they have to help assist you in purchasing a home.

*Myth #2: My credit score is too low to buy a home*

Even if you have a less-than-impressive credit score that doesn't mean that home ownership is out of your reach. Some ways to counteract a low credit score is to get a co-signer or put down a higher down payment. You can also apply for an FHA if your credit score is within a specific range.

*Myth #3: I've been pre-approved, so I already have a loan*

Just because you've been pre-approved for a loan doesn't mean you've actually got the loan. A pre-approval is a tool to show sellers that you have the funds and are able to buy their home, and that you are serious about moving forward with a purchase.

So, even though you have a pre-approval and have even submitted an offer on a home, hold off on making any large purchases until after your closing date. You don't want the new furniture you bought to cost you your mortgage.

*Myth #3: The lowest mortgage rate is always the best*

I know, it's engrained in us to believe that the lowest mortgage rate is the best one, but that isn't always true. While the interest rate is important there are other factors to consider that could add up. When comparing loans, check the annual percentage rate (APR), which will show you all the costs associated with that loan. It's possible that one loan may have a lower interest rate but higher fees detailed in the APR.

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