



Sunday Column

By Kim Bragman, 2020 Chairman

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How to make your offer more attractive ... without increasing it

Before you submit an offer on your dream home, get pre-approved or pre-qualified for a mortgage loan. Either one can make your offer more attractive to the seller, but they mean different things.

What are your qualifications?

To get pre-qualified for a mortgage loan, you provide a lender your approximate income, current debts and any important details from your credit history. The lender will then use these details to determine how much you *may* be eligible to borrow. You may receive a Conditional Qualification Letter from the lender, which determines your likelihood of getting a home loan. However, it's important to know that all information submitted during pre-qualification is subject to verification when your actual loan application is submitted. There is no guarantee that you will receive a home loan until your financial situation is actually verified.

Seeking approval

Being pre-approved for a loan typically means that the lender has gone one step further and verified your financial situation. When you get pre-approved, you will complete a mortgage loan application and may have to pay an application fee. Your lender will commit in writing to fund your loan, but only after an extensive examination of your financial situation and pending a successful appraisal of the home and a few other conditions.

But I haven't found a house yet

Being pre-approved for a mortgage loan doesn't mean you are borrowing the money or that you are obligated to. It just means the lender must stand behind his written commitment to fund the specified amount unless something changes with your situation. Think about how attractive your offer will be to the seller if you submit it with a letter pre-approving you for the loan.

Can the lender change his mind?

Some situations could cause a lender to withdraw from funding a loan even after a pre-approval letter is issued. If your credit situation changes between the time the pre-approval letter is issued and the loan's funding, then the lender could change the interest rate or even deny the loan application. So, while you're buying a house, it's important not to apply for credit cards or other loans that could change your credit situation.

Avoid surprises in your credit

The best way to check out what a lender is going to see in your credit history is to get a copy of your credit report. This document lists your financial history, including total debt and whether

you pay your bills on time. Regularly checking your credit report is the best way to spot identity theft, credit report errors or other blemishes that could affect your ability to buy a home.

By taking steps to secure your finances, you increase your ability to get pre-approved for a home loan. And this will put you one step closer to being in the home you dream about for you and your family.

For more information on buying or selling your home visit SABOR.com and use a San Antonio area REALTOR®.

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