

SOUND OFF *Jean O'Neill*

What is the importance of a mortgage pre-approval?



When a buyer sets out to look for a property, it is crucial that they know their financial ability in addition to understanding all the costs associated with buying a house or condominium.

A conversation with a lender or mortgage broker will provide them with the framework of mortgages. Even if they haven't decided on a property, knowing the costs and what amount and type of loan they are comfortable with will enable them to search for a property more effectively;

and when they do find a property they like, they will be in a better position to present an offer.

There are many different loan products available and some are designed for first-time buyers, second home buyers, investors or those looking to get into a larger home or to downsize.

From an initial phone conversation where buyer discusses their income, debt and work history, the lender can then provide them with a pre-approval letter, which indicates, based on the information they provided, how

much they can borrow. When presenting an offer, their Realtor will include the pre-approval, along with the offer in order to convey to the property owner that the buyer has discussed their finances with a lending company and is in a good position to purchase.

Some fees that factor into homeownership in addition to the mortgage are: property taxes, home owner association dues or tax district fees where applicable and insurances.

The pre-approval is not a com-

mitment, but a step toward one. There are many lenders and programs available for buyers. Local, national and international banks have mortgage divisions and there are also brokers who work with several lenders. The mortgage process begins with a conversation with a lender and is the most important step, when financing is required, toward getting a new set of keys in your hands.

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