

Diablo Valley Home Buyer FAQ Cheat Sheet

QUESTION: How much does it cost to work with a Realtor and a Mortgage Broker on my transaction?

ANSWER: Your Realtor is almost always paid for by the seller of the home you will be buying. Your mortgage broker is almost always paid by the bank they work with. In most cases you won't pay commissions to the Realtor or Mortgage Broker

QUESTION: What's the best way to get my financing together?

ANSWER: Talk to a mortgage broker rather than your local bank. [Here's why](#)

ANSWER: Make sure your debts are under control. Use the debt snowball calculator and [GET YOUR DEBT/CREDIT UNDER CONTROL](#)

QUESTION: Is it cheaper for me to purchase a home or rent?

ANSWER: This is unique in every situation. In many cases the tax benefits of paying a mortgage and market appreciation on the home you buy will ensure that buying a home makes financial sense over long term renting. *Ask your Mortgage Broker to do a Rent Vs Own analysis.*

QUESTION: How much will I need for a down payment?

ANSWER: There are many down payment options but in 2016 the median down payment for a home in the United States was only 6%. There are some programs that allow for [only 1% down payment.](#)

QUESTION: How are mortgage rates and can I expect equity appreciation once I purchase my home?

ANSWER: Every year is different, however. Forecasts from the National Association of Realtors expects rates and growth to be *SEE BELOW FOR MARKET FORECASTS FROM EXPERTS.* [Download the full buyers guide](#)

QUESTION: Once I find a home how long is the closing process?

ANSWER: A normal home buying and mortgage process takes 21 to 30 days. It could be longer depending on your unique situation.

These are the TOP questions I am asked by home buyers on a regular daily basis. I hope this cheat sheet has helped you get ready to purchase your first or next home in the Diablo Valley.

REVIEW MY [HOME BUYER CRASH COURSE](#)

[CALL ME NOW](#) TO REVIEW YOUR CURRENT UNIQUE SITUATION

The Cost of **RENTING** vs. **BUYING**

HISTORICALLY:

NOW:

Percentage of Income Needed to Afford **Median Rent**

26%

30%

Percentage of Income Needed to Afford a **Median Home**

21%

15%

If you are renting & think you can't afford a home... **THINK AGAIN!**

BUYING COSTS SIGNIFICANTLY LESS THAN RENTING!

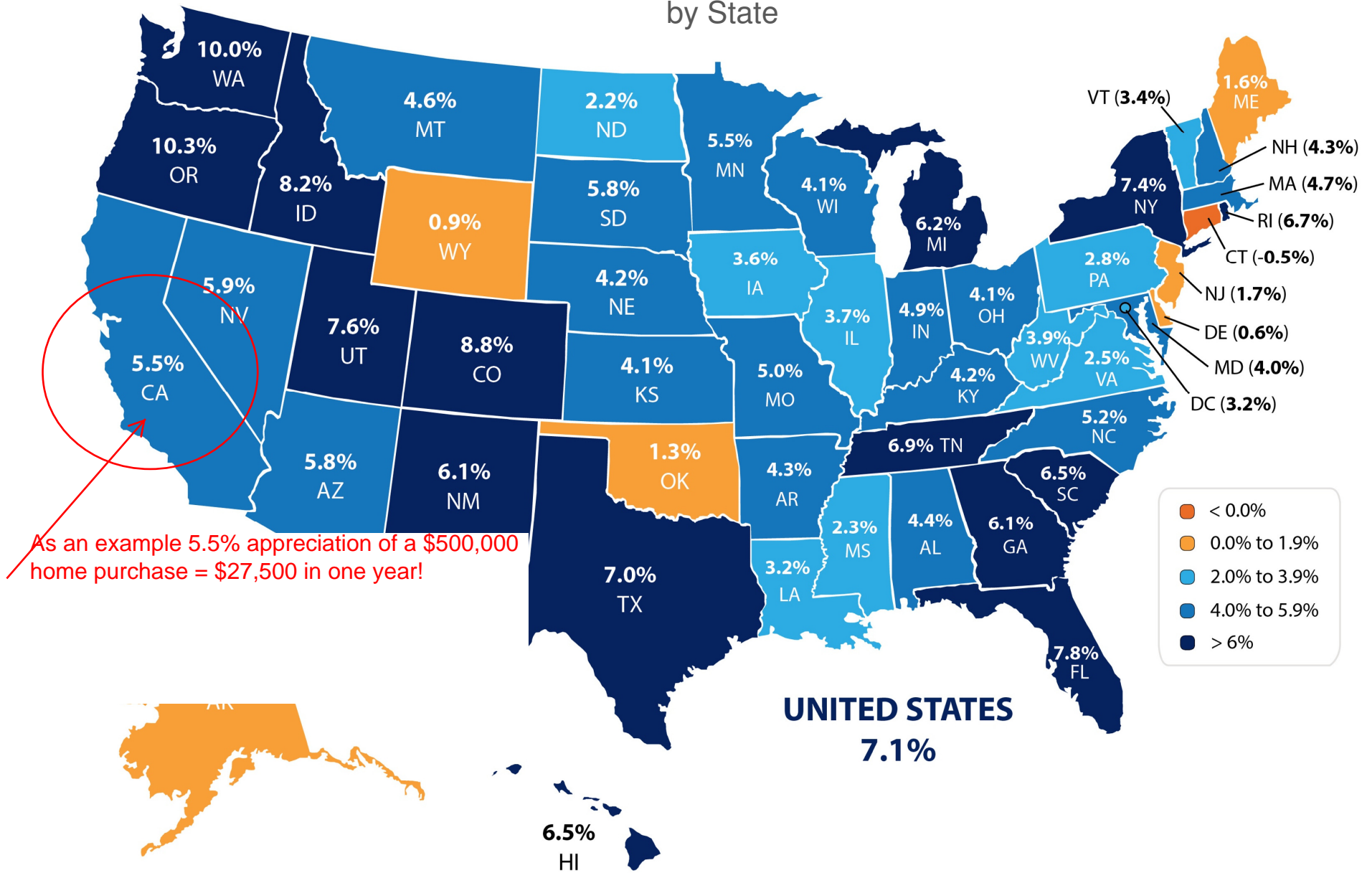
Either way you're paying a mortgage, why not have it be YOURS?



Mortgage Rate Projections

Quarter	Fannie Mae	MBA	NAR	Average of All Three
2017 2Q	4.2	4.4	4.3	4.30
2017 3Q	4.2	4.6	4.5	4.43
2017 4Q	4.3	4.7	4.6	4.53
2018 1Q	4.3	4.8	4.8	4.63

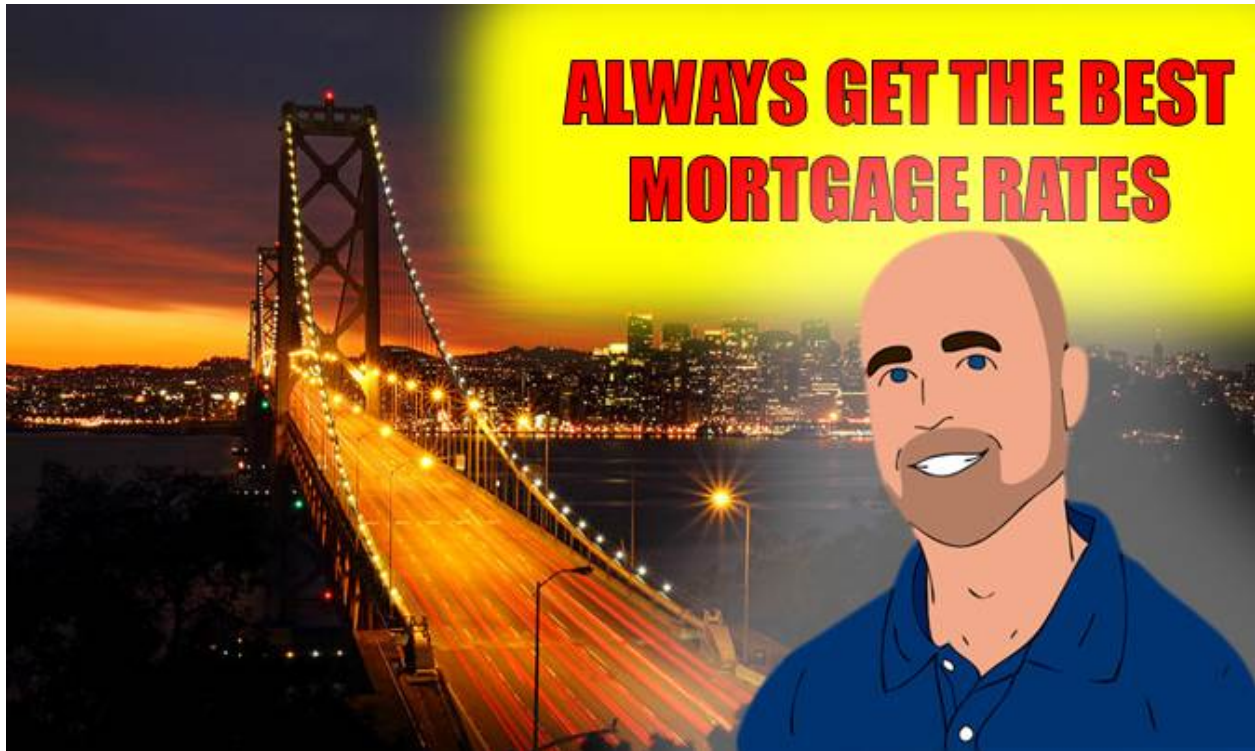
Actual Year-Over-Year % Change in Price by State



GETTING THE BEST MORTGAGE RATE ON A HOME LOAN

www.jasonwheeler.biz/2014/10/08/getting-the-best-mortgage-rate-on-a-home-loan/

Jason Wheeler - Real Estate & Lending



When you're in the market shopping and out for getting the **best mortgage rates** on a home loan there obviously several things to consider.

Working with a broker or bank? What company to choose? Should you work with the big bank or a small bank? All of these things factor into your experience and results when shopping for the best mortgage rates.

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In this posting we want to help you around the main pitfalls and perils of finding the best mortgage rates and getting the best loan available that can be tailored to your unique lending situation.

Important Things that Will Be Covered In This Article Include:

- ***Things To Avoid When Shopping The Best Mortgage Rates***
- ***Predicting Mortgage Rate Trends With Accuracy***
- ***Do Brokers Or Bankers Have Better Mortgage Rates***
- ***Factors To Consider Other Than Mortgage Rate***

Some of the biggest mistakes that my clients often make are due to them shopping around looking for the absolute lowest mortgage rate. The sad part is that most consumers don't even realize what they are doing until it is too late.

During the shopping process they often miss the boat or time things wrong or sometimes they're even get baited by a by a mortgage lender that does not have their best interest at heart and before they know it it's too late.

The Three Biggest Mistakes I See My Clients Make While They Are Shopping For Mortgage Rates Are:

| 1. *Giving Their Personal Information To An Online Lead Generating Site.*

There are several sites that will just ask you for your information and then very quickly they will turn around and sell that information in the form of a lead to several mortgage companies all throughout the United States most borrowers that do this wind up very frustrated due to several different mortgage sales companies calling and trying to sell them. Stay away from companies online that seem to only want to gather your loan information and contact info. It is likely that you will not secure the best [mortgage rate](#) or customer service from any of them.

| 2. *Trying To Predict The Absolute Bottom Of The Market And It Completely Missing The Boat.*

I see this all the time where people wait and wait because they believe the rates will go down. In the course of waiting rates often will only go up in the short-term leaving the borrower frustrated and ultimately very upset with their decision. Predicting the market with 100% accuracy is almost impossible even for professionals that of been in the business for years and years.

| 3. *Working With Too Many Lenders At Once!*

I ALWAYS... encourage my clients to shop around interview **mortgage brokers** and interview mortgage bankers however when you actually submit your financial information and let several different mortgage companies pull your credit within the same time frame it can be a detriment to your ability to qualify for a good loan.

MY RECOMMENDATION is to interview three or four mortgage professionals before handing over your financial documents and always work with a professional that has made you feel most comfortable in the process and to whom you believe to be the most competent and able to get you the fastest closing mortgage with the absolute lowest *mortgage rate* that you can find in the market.

Always trust your gut!! It's almost always right. If your gut feeling is that you are working with a great person at that point you may want to look them up on Zillow, Trulia or Yelp and see what their past clients might have to say about them.

[ALSO READ: PITFALLS AND LENDING NIGHTMARES!](#)

I believe... when you're shopping for a mortgage professional to work with the most important aspect is following your gut feeling.

| *When you are conversing with your mortgage consultant...*

Do you feel like you can trust this person?

Do you feel like this person has your best interest at heart?

Is this person taking time with you to answer all of your questions without rushing you through the process? Are they pressuring you to move fast are they making you feel uncomfortable?

These are all indicators of your working with the wrong mortgage professional and that you should move on or possibly ask for referral from somebody you know who is recently gone through the mortgage process.

What Is The Difference in Mortgage Rates Between Bankers or Mortgage Brokers?

If you're working with a large bank chances are that the consultant you're working with is merely an employee of that bank.

This is where **motivation and compensation** come into play when choosing a mortgage professional.

FOR EXAMPLE: If you're working with a very large bank... and the person you're working with is merely an employee of that bank... Their true intention is likely to do whatever it takes to keep their job.

Right?!?

In other words, their true intention is likely to serve their employer serve their bank not ultimately to serve you the customer.

There are exceptions to this rule and again I would revert to following your gut. If you love the person you are working with at your bank. Maybe you should just stick with them.



On the other hand... when you work with an Independent Mortgage Consultant you're often treated better with more care and better customer service. This is where a matter of motivation and compensation come into play, once again.

As an employee of a big bank your main motivation is likely to keep your job you're often getting paid in hourly wage and maybe small commissions based on your production.

An Independent Mortgage Consultant often has several bank relationships that they could harness. Almost every time their main motivation is to serve the customer.

If they do not serve the customer properly they will shortly be out of business.

Independent Mortgage Professionals do not get paid an hourly wage like employee of the big bank. They will only be paid upon closing a loan that fits your needs.

In today's world of social media Yelp and other means of communication if an Independent Mortgage Professional does not make the client happy and offer the very best mortgage rates they will be out of business very very quickly.

Not to mention the [federal regulations and education requirements](#) for Independent mortgage professionals are much higher than that of a large banking institution.

AT THE END OF THE DAY ... I believe you will likely be better served altogether if you get a referral or find a small town local Mortgage Broker that can help you with your lending needs.

When it comes to pricing a and getting the very best mortgage rates... a small operation will also have a lot less overhead thus passing on savings to you in the form of a lower interest rates on their mortgage loans.

Predicting Short Term Mortgage Rate Trends

When it comes to predicting the general direction of the mortgage market and timing things right while locking in your mortgage rate, it is always best for the consumer to make educated choices.

You can look at most recent mortgage trends by going to Yahoo finance and looking at the 10 year note.

[Click here for the current 3 month chart](#)

Important Things to Look At When Reading Mortgage Rate Trends

Are we on an uptrend or a down trend or a flat market?

Down Trending and Up Trending Mortgage Rate Examples



Is there any upcoming resistance to either the downside or an upside? If the chart seems to be bouncing back and forth at consistent levels for a period the 30 Day EMA line will flatten out and rates are very stable.



I have put together a tutorial on exactly how you the consumer can actively look at and protect short-term mortgage trends.

[WATCH OUR MORTGAGE TRENDS TUTORIAL HERE](#)

I'm also happy to go over these charts with you on a day by day basis and help you make the best decision when locking in your interest rates.

What is More Important Than Your Mortgage Rate?

The best mortgage rate is not always the most important aspect of getting a loan. Obviously if you're currently in contract to buy home short-term direction of rates is irrelevant you will need to close the loan fast one way or another.

It is important you find a competent lender that will push your file through the underwriting systems fast.

Furthermore the type of loan that you were trying to secure can have a positive or a negative effect on your interest-rate.

FOR INSTANCE: If you have an amazing credit score and you were just doing a straight up pay off loan rate and term refinance you're likely to get some of the best interest rates that are available in the marketplace.

HOWEVER: When you have "add-ons" to your loan such as taking equity out of your home if you have a negative credit score short sale bankruptcy or a foreclosure or if you refuse to set up impound accounts these may all have a negative affect and ultimately make your right a tad higher than what you might see advertised in the local papers and on the radio.

A good Mortgage Professional will be able to guide you through any add-ons that you may or may not need and help

you decide what pricing options are the absolute best for you.

SUMMARY: Tips When Shopping for the Best Mortgage Rates

So in summary when you were shopping for the best mortgage rate there are many pitfalls and perils that you should try and avoid.

1. ***Always trust your gut** when you are picking and hiring a mortgage professional to work with it's often best to get a referral from a family member or a real estate agent that you've worked with. Work with a professional that gives you their time and energy. If they are too busy for your calls and emails they are not the right lender for you..*
2. ***An empowered borrower is a smart borrower.** So do your own homework and look at mortgage trends using Yahoo finance or another institution where you can [search for mortgage trends on Google](#) and verify them with the lender that you're working together with.*
3. ***Avoid the many pitfalls** do not work with too many lenders at once avoid online sites that just want your contact information and keep yourself informed.*

If you enjoyed this article or got any value out of it we would love to hear your comments and or have you **LIKE AND SHARE** this article with your social networks.

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Now get out there... and good luck getting the best mortgage interest rate on your home loan that the market can offer.

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