



## The FAQs on Preapproval and Prequalification

### What is preapproval?

This is when a home seeker applies for a mortgage loan *before* actually finding the home. The loan agent gathers the necessary documents, including the loan application, credit report, income assessment, and submits them to the lender. The lender then issues credit approval or denial.

### What is prequalification?

Unlike preapproval, prequalification is *not* an actual loan commitment, it's simply a loan agent's opinion that a home seeker should be able to get a mortgage. Therefore, prequalifications are not taken as seriously as preapprovals.

### What are the advantages of preapproval?

- Home shoppers who make an offer on a home and then apply for a loan lose precious time in the bargaining process.
- Preapproved home buyers know exactly how much home they can afford
- When in competition with other buyers for a particular home, the preapproved buyer is in a much stronger position since the seller knows there will be no difficulties with financing.
- Pre-approved buyers usually close escrow more quickly.

Remember, while an important tool for the home buyer, preapproval and prequalification are not absolute - lenders still need to perform other assessments and verifications before finalizing the loan.

***As you can see, preapproval is a smart idea. So contact me today so we can get you preapproved for your dream home!***



You find a house we will help you finance it.