

Pre-Qualification vs. Pre-Approval

Pre-qualification simply means that you have provided general information to a Mortgage Lender to get a "ball park" assessment of your ability to buy a home within a certain price range. This can be done in a 10-minute conversation with a qualified loan officer. Sellers know that having a pre-qualification letter does not guarantee that the Buyer or bank official can close the purchase of their home, so there is an element of risk in accepting the offer.

However, to be "pre-approved" or "credit approved" means that the Buyer has gone through the process with a Mortgage Lender that guarantees their ability to purchase a home. Many times, pre-approved Buyers are able to negotiate a better purchase price because the Seller knows that the Buyer has taken the necessary steps to fully qualify for a loan, which minimizes their risk in taking their home off of the market.

At minimum, it is wise to get pre-qualified before looking at property and begin the pre-approval process as soon as possible. The pre-approval process normally takes one to three weeks, depending on the verification process.

Call us for a recommended local Mortgage Lender.