

Choose type of loan before lender



DAVID C. MULLY

ON MORTGAGES Like most products and services you buy, you tend to go with a company that is proven in the particular product you are buying. When you obtain a mortgage, you should go with a lender that is proven for the type of loan you need.

For instance, if you are a first-time buyer and have little money for a down payment, you are going to want a lender that does a lot of these type of loans. There are several first-time house buyer programs, and only a lender or a loan officer who does these type of loans on a regular basis can do an adequate job of explaining your options to you and, at the same time, help you select the best program that best fits your needs.

Otherwise, you may be dealing with a loan officer who has limited knowledge in these type of mortgages and therefore steering you into a program they are more comfortable with buy wrong for you.

You need to be careful that most lenders will say they do all the different types of loans that are available. But what percent of the loans they do are the first-time house buyer programs.

The reason this happens is that it is difficult to keep track of all the loans that are available, so loan officers tend to specialize in a few mortgage programs that they know well.

Dealing with the right lender or loan officer can make all the difference. It can save you time, money and aggravation.

In the various types of mortgages available today, it takes a certain amount of skill or so-called massaging to do a particular loan well. By well I mean a knowledgeable and experienced, loan officer, processor, appraiser, closer and title company.

In FHA and VA loans, this is especially true.

Most lenders try to be all things to all people, but, in reality, do some loan programs really well and others not so well. This is sometimes reflected in the interest rate or closing cost they charge for a particular loan program.

An experienced Realtor can help refer you to some lenders that are proven in the type of loan you need.

Experienced homeowners and buyers also can benefit from knowing which type of lender to use. For instance, if you are seeking a loan amount over \$203,000, this is considered a jumbo loan. This type of loan is handled differently with most lenders in that interest rate, points and closing cost can all be higher, and some of the guidelines can be different. Like any loan, it takes some skill and experience to do these loans well. Most lenders will offer these loans, but only a few do a large percentage of these, and usually are better prices with the interest rate, etc.

The type of property you are mortgaging can also be a factor in who you select. Condominium, new construction, second homes, vacation homes and modular homes can all be handled differently with each lender. Go with a lender or loan officer that has experience with the type of property you are mortgaging.

Another example can be that if you may end up needing a bridge loan because your current house has not sold and you need to close on your new house, this can also be a factor on which lender you select. If there is any chance of this at all, it only makes sense to find out up front from the lender you go with that they offer the

bridge loan and are competitive with the rate and fees. Bridge loans are a way to access the equity out of your current house so you can use the money to close on your new house.

Remember, everyone's situation is unique and should be handled accordingly. It does not make sense to go with a lender or loan officer that handles mostly higher loan amounts when you are a first-time house buyer that needs a knowledgeable loan officer in these type of programs. When you are shopping for a lender, ask each one what percent of all the loans they handle are of the type of loan you are requesting.

Over the years, I've seen the difference it can make either by going with the right lender or a good loan officer who is experienced in the type of loan you need. It can make all the difference in buying your dream house.

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MORRIS & BERKE
 Troy-based Morris & Berke, a property management company, has completed a sales transaction of the Rosetti Building, 601 Washington Boulevard, downtown Detroit.
 Broad, Vogt & Conant, a River Rouge construction company, will become the tenant in the three-story, 21,000-square-foot building, which had been vacant more than five years.

AGREE REALTY
 Agree Realty, a real estate investment trust in Farmington Hills, has acquired the former office of America headquarters building in Santa Barbara, Calif.

Agree plans to refurbish the building for retail use, which is 100 percent pre-leased.

CUSHMAN & WAKEFIELD
 Cushman & Wakefield of Michigan, an international real estate services firm headquartered in Southfield, has been named the real estate strategic alliance partner for Saks Fifth Avenue.
 Cushman & Wakefield will be responsible for all of Saks' real estate portfolio nationwide including acquisition, disposition, site location, demographic studies, appraisal, lease administration and financing.

GAODE AWARDS
 Southeastern Michigan's construction industry — labor, owners and contractors — has established awards to recognize outstanding gender and race diversification programs.
 Gender and Race Diversification Excellence nominations are due by Oct. 1. Questions about the nomination process should be directed to Bernard White at (313) 872-6700 or FAX at (313) 872-7397.

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