

## Mortgage Business Alberta

### Various Individuals And Organizations Involved In The Mortgage Business

#### Mortgage Broker

When it comes to a mortgage contract, there are two key players; the borrower and the lender. The mortgage contract could be completed successfully only when the requirements of both are satisfied. The mortgage broker has the busy job to make certain that all of the steps needed by both parties are carried out right. Mortgage brokers work for both the borrower and the lender.

If a contract of property includes the assistance of a mortgage broker, then there are three parties who would make up the contract. The lender will provide a loan which enhances their portfolio, whereas the borrower is given the loan to be able to purchase the house and the broker who works on behalf of both parties for a small commission. An analysis of a mortgage brokers' capabilities in a standard lending transaction should clarify the positions of both lenders and borrowers while illustrating the scope of services that the broker carries out.

Brokering a mortgage comprises various steps from attempting to obtain, to helping in acquiring, or obtaining a mortgage contract from a lending institution for a borrowing customer. This occurs in anticipation of consideration or in return of consideration.

#### Other Mortgage Originators

When pursuing a mortgage, there are various roads to explore. For instance, financial institutions have mortgage representatives who have the main focus to develop leads and options from their connections within the community. Some of these representatives are commissioned or bonus based.

The people who represent mortgage business can come from various sources such as previous clients and construction sites. Sometimes, financial institution branches can refer business to their mortgage representatives when clients are not capable of visiting the branch. These representatives would often visit clients at their home or at their place of employment if this option is more convenient.

#### Lender

The lender is an institution or group of people or a person who make mortgage funds available to borrowers. These lenders could be credit unions, life insurance companies, financial institutions like trust companies, mortgage or loan companies, chartered banks, MICs or likewise known as mortgage investment companies, governments or private individuals.

#### Realtor

Realtors are people who have been given licensing from their provincial association. They work for profit, on behalf of any individual who is wishing to sell or acquire real estate properties. The realtor is willing to work with prospective buyers, is duly licensed to solicit houses for sale, market homes for sale and has proper disclosure.

Provincial laws govern the industry of real estate. Nearly all real estate agents would belong to some organizations, like: a provincial real estate association, the national CREA or likewise known as Canadian Real Estate Association, and local real estate boards. They strictly follow the code of ethics and corresponding guidelines set forth by each association.

#### Mechanical/Property Inspector

A Mechanical or Property Inspector is a qualified home inspector who would evaluate the property and provide a written report on the exterior structure, the interior structure, plumbing, electrical work, cooling and heating systems, structural and roof stability and insulation amongst other factors.

#### Appraiser

A real estate appraiser determines the market value of the home. This evaluation is based on its condition and the selling price of comparable homes which have been recently purchased within the area. The estimate of market value established by the appraiser helps the lender determine a loan amount which is reasonable for the mortgage.

#### Lawyer

The lawyer is a very important part of any real estate contract. Lawyers are responsible for the following: Assist with and reviewing the Contract of Purchase of sale; Preparation and review of mortgage; Make sure that all closing documents have been correctly completed, including the title search and the title insurance; Collect the transaction fees and disburse the funds to the appropriate parties; Explain all closing documents to the clients, record all documents with the appropriate local governments and get signatures. Finally, the lawyers should prepare and present a final Statement of Adjustments.

#### Mortgage Insurer

In Canada, high-ratio, institutional mortgages, that are considered those representing more than 80 percent of the property value should be insured against default. As part of the borrowing method, the borrower would obtain and pay for the insurance which protects the lender against non-payment.