

Commercial Mortgage Broker Alberta

What Exactly Is A Mortgage Broker's Task

There is often some uncertainty when differentiating between lenders and mortgage brokers. The actual loan money is provided by a lender, whereas a mortgage broker functions as a liaison between the borrowers and the lenders. The mortgage brokers would act for the borrower and work directly with the lender whereas the lender provides the actual loaned money. Mortgage brokers can work either with a firm or independently.

The job of the broker is to shop around for the customer to be able to obtain the right loan agreement. To be able to make sure that their clients get the right loan possible, they should work directly with several lenders. It is common for a broker to have upwards of a hundred lender contacts. Thus, brokers could more likely assist customers with specialty needs, such as problem credit, than individual lenders are.

The method for obtaining a loan is simple. Borrowers give their applications to their mortgage brokers, who then make use of that information to be able to find a lender and lock in rates and terms. Federal and state disclosures are also provided. Employment verifications, credit reports, property appraisals and asset disclosures are acquired by the brokers and submitted to the right lender when the application is deemed complete. It is then the job of the lender to deal with the disbursement and loan approval.

The mortgage broker is likewise responsible to provide basic credit counseling for their clients. This can be in the form of info about the credit issues the client may have, as well as advice about the methods and techniques they might use to secure better loan rates. Brokers break down the application process and make sure their customers understand every aspect of their loan. Then again, when the process of the loan is complete and the borrower has acquired a mortgage, the broker could not provide any additional help. Any future questions should be asked of the lender.

Generally, the brokers would earn a small commission for bringing the borrower and the lender together. The buyer would pay the mortgage broker indirectly with closing costs and additional loan points. It isn't until after the loan is closed that the mortgage broker is paid.