

The Truth About Brokers

Mortgage lender, bank loan officer, or mortgage broker. They're all essentially the same. Their purpose is to sell you mortgages. Simple as that. Well, not quite. While all three are similar, the nature of their jobs deviates slightly from each other.

What is a mortgage broker?

Contrary to popular belief, mortgage brokers do not work for the loan company or any lending organization or agency. A mortgage broker is a real estate financing professional who works separately from a lender. A mortgage broker concentrates on the initiation of residential or commercial mortgages. The lending company serves as the "wholesaler." The mortgage broker is the one who arranges the actual funding and servicing to these loan "wholesalers."

Essentially, mortgage brokers are freelance agents working with (not for) various wholesale lenders. Almost half of all the real estate residential loans in the United States are initiated by mortgage broker firm operations.

Services of Mortgage Brokers

Mortgage brokers have immediate access to hundreds of loan products. Due to this, mortgage brokers are the best when it comes to providing consumers cost-effective and efficient options that cater to their specific loan needs. The mortgage broker evaluates and provides appraisal based on the financial details that the customer gives. Using this information as leverage, the mortgage broker would then sift through the hundreds of posted rates in order to find the best one for the customer. In this way, not only does a mortgage broker provide their customers with expertise and convenience, but options as well.

Mortgage lending is a complex task. Mortgage brokers act as leaders for consumers, helping them through the entire process. When confusion sets in, mortgage brokers help dispel this by offering extensive choices and advice to help the consumers maintain their financial balance with their goals.

When customers have a bad credit or a less-than-ideal credit history, mortgage brokers help them get loans by looking for lending companies that are willing to allow these types of consumers borrow money. Mortgage brokers also use novel loan packages to allow customers with low to moderate income enjoy the perks of home ownership.

Mortgage brokers help consumers preserve their time, money, and effort. Because mortgage brokers provide evaluations on their clients' financial status, they can easily target products which more or less cover and fit well with the clients' needs. This evaluation makes the job easier and less time-consuming. Mortgage brokers persevere contacts with several lending companies. This relationship allows mortgage brokers to obtain the cheapest loans for their clients.

National Association of Mortgage Brokers

Established in 1973, the National Association of Mortgage Brokers is the principal trade association that represents the community. The association is affiliated with 46 states of the United States and provides professional certification for mortgage brokers.

Mortgage brokers who are members of the National Association of Mortgage Brokers are required to follow the association's code of ethics and maintain only the best lending practices in the profession. The mortgage broker serves as the liaison between the lender and the borrower. A mortgage broker is responsible for bridging the divide between these two. Such a large responsibility requires a mortgage broker to be utterly thorough in the dealings with both and in the mortgage process.