

# MORTGAGE PRE-APPROVAL TIPS

dear homebuyer,

As you prepare to buy a home, I have prepared this flyer that contains some mortgage pre-approval tips that might be useful to you when approaching a lender or a mortgage broker. As always, I am here for you if you need any guidance or assistance, so please reach out if you have any questions!

## 01 | Get pre-approved first

Before we even start looking at homes, we always recommend you apply for a mortgage pre-approval first. As we're in a competitive market, if you fall in love with a house and decide to put an offer, we'll need to move fast. Therefore, having all your finances in order by that time will not only make you a stronger buyer, but will also save you from heartache and stress knowing how much you can truly afford.

## 04 | Gather paperwork early

When applying for a mortgage, your mortgage broker and lender will require many documents from you, including a piece of government-valid ID, bank account statements, proof of assets, income proof, and debt information. Therefore, we recommend you gather these documents early on to have all the paperwork ready for your mortgage pre-approval.



## 02 | Shop around for the best rates

To ensure you're receiving a fair and competitive rate from a lender, do your research and compare mortgage rates or use a mortgage broker's services to shop around for you and find you the best terms and rates. A small percentage can make a big difference over time, so taking some time to research may end up saving you thousands of dollars!

## 03 | Hold off on any major purchases

Once your loan officer or mortgage broker receives your application and documents, your financial situation shouldn't change from the moment you get pre-approved until closing day of your new home. If your debt service ratio changes (which in turn modifies your financial situation), it could lead you to get rejected from obtaining a mortgage. Therefore, avoid making any major purchases until after closing day, including items such as cars, boats, luxury objects, furniture, etc.

## 05 | Don't apply for new credit

Your debt and available credit levels impact your overall credit score and consist of two determining factors in your mortgage pre-approval. Therefore, during the mortgage application period (meaning, from the moment you hand in your application to your lender/mortgage broker until closing day), you should completely avoid applying for new forms of credit (including lines of credit and credit cards). Furthermore, you should keep away from co-signing any loans for family and friends during this time.

## 06 | Don't quit or change jobs

Once you have been pre-approved for a mortgage loan, avoid any changes to your employment status as predictable income is a crucial factor in mortgage applications for most lenders. Therefore, if you're planning to start a new business or switch jobs, we highly recommend you either wait until after closing day to do so or delay buying a home until you regain steady financial income.



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