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MortgageStraightTalk.com

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Remember me? I didn't think so. But that's my fault. Let me refresh your memory.

My name is **ROD HAASE**. I either did a **Home Purchase Loan** or a **Refinance** for you this past year (*). And what a year its been. I just finished putting together my website (with a lot of help from some web savvy friends). This is also part of the reason I've been remiss in not keeping better in touch with you.

Though we've spent an inordinate amount of time in the writing, design, coding and lay out. There's always room for improvement. And sometimes, you're so close to things that as the saying goes, "You can't see the forest for the trees". So, with this in mind, I'm offering a **\$75 gift certificate** to whomever comes up with the best suggestion for improving it.

Incidentally, the character at the top of the page is my alter ego and the website's host -- "Morty" --as in Mortgage Man. And before I forget, the name of the website is

www.MORTGAGESTRAIGHTTALK.COM

The website has been designed (as the name suggests) to give borrowers information as it pertains to loans in a simple, straight-forward manner. It is also unique in that it's more than just an advertisement for my services, but it provides a highly informative tutorial for those who are interested in mortgage basics. It is my personal belief that **BEING AN INFORMED BORROWER IS IN YOUR BEST INTEREST!**

Everything (within reason) that you might ever need to know about credit and the lending process is covered. Regardless, of whether or not you do another loan with me, I believe that you'll find this to be an invaluable resource. If you like what you see, **tell your friends about www.mortgagestraighttalk.com**

This month also marks the debut of my newsletter which I will send you from time to time. It will feature different topics that may be of interest to you. Today's topic deals with clearing up the confusion among three similar sounding but distinctly different terms - - - **Pre-Qualified, Pre-Approved** and **Loan Approval**. This is a source of misunderstanding among real estate sales people and the lay public alike because they often use them interchangeably and incorrectly.

One final note: I'd like to take this opportunity to thank you for giving me your business this past year. I trust you were satisfied with our performance. And Remember, I sell more than just money -- **I SELL MONEY AND SERVICE**. And because we do **GOOD business, BUSINESS IS GOOD!**

(*) Or in a few instances you may have purchased your home from my sister, **Pam Parkinson**.

What's the Difference Between

Pre-Qualified, Pre-Approval and Loan Approval?

Much of mortgage terminology is filled with abbreviations, insider language and financial slang.

Understanding these complex terms not only empowers buyers, but perhaps helps them get better rates and a faster closing.

One of the first sets of terms that buyers come in contact with includes pre-qualification and pre-approval. While they sound like basically the same thing, there are some critical differences - differences that could cost a buyer a home.

Most agents insist on their clients having a pre-approval before making an offer. It's especially important in a multiple offer situation. To completely understand the subtle, yet crucial differences here's a full explanation of each term.

Pre-Qualification

This means that the loan officer has spoken with the borrower and based on verbal information, everything is fine. They might run a credit report, but they don't have the okay from an underwriter. Pre-qualifications were more practical back before the days of faxes and computer programs that could run a credit report in seconds. But today, it's the real estate equivalent to a verbal handshake.

This is the weakest form of approval. There's not the depth that documenting assets and credit has. One advantage is that it allows buyers to know their price range and if they're in a position to buy.

Pre-Approval

In a pre-approval, the loan information has passed through an underwriter or an artificial intelligence system. The lender has all the information involved, including assets and credit.

Then they are approved, subject to the appraisal of the property. That's the strongest point to be in at the time of making an offer. It has a lot more weight than a pre-qualification.

Today, pre-approval can be accomplished fairly quickly with the help of faxing and computer programs. While the approval used to take several days, now it can be accomplished in a matter of minutes.

Loan Approval

This is the last step in the loan process. After the property is appraised, the buyer's documentation is verified and all elements (such as escrow and title) come together, a loan is finally completely approved. And that's when it's time to celebrate, which is terminology everyone's familiar with.

Article attributed to the [San Diego Union Tribune](#).

