

## 70 Ways For Home Buyers To Save Money When Buying A Home: Tip #4

Use a mortgage broker

Who do you think has a better chance of getting you a better interest rate:

A bank with one loan program?

Or a mortgage broker that works with a 100 different banks that compete everyday for your business?

It is definitely the mortgage broker who can shop your loan around to hundreds of lenders.

You probably have seen TV ads from [lendingtree.com](http://lendingtree.com) and [nexttag.com](http://nexttag.com) where they say they will get you quotes from 4 different lenders. That is nothing. A good mortgage broker works with dozens or even hundreds of lenders and can shop your loan around to all of them for you.

In our mortgage brokerage office, we get rates sheets faxed and sent via computer to us everyday from many of the lenders we work with. We then consult each rate sheet on every loan, to see which lender is offering the best program and rate for that borrower. And the rates change everyday. On one day Lender A might have a better rate. The next day, Lender B will have the better rate for the same loan. A good mortgage broker will stay on top of all this for you.

If you go to your local bank, they will have maybe 10 loan programs. If you are lucky and have great credit they will get you a good rate. If you have bad credit they will usually just turn you down. And this is after you sit with their loan officer and give them hundreds of different documents.

When you use a mortgage broker, they can approve or deny you in less than 5 minutes. But then, if you get denied through the computer, they can then send your loan request in to what are called sub-prime lenders. These are mortgage lenders that give loans to people with less than perfect credit. They charge a little more, but are willing to give you a loan.

At my mortgage company, MoneyTree Mortgage in Houston, we work with over 238 different lenders. If I cannot get you a loan, no one can.

And having this many lenders is crucial because every loan is different. Your loan might have to go to a different lender than your neighbors loan if you want to get the best deal. You see, we get the banks to really compete for your loan. And having 238 banks fighting for your loan is a lot better than four.

Many times, I will have people come into my office and say they got a great rate from their bank. When I compare it to what I can give them, they cannot believe that I can save them so much money. Like I said before, when you have dozens of banks sending you their rates everyday, you know which are the cheapest.

Another reason to use a mortgage broker is the way they get compensated. A mortgage broker works mainly on commission. If he upsets you and you walk away he does not make any money. So a mortgage broker will do whatever it takes to get you a loan. Someone working at a bank on the other hand, gets a salary. If you get your loan there, he is happy and probably gets a small bonus. But if you do not it is no skin off his nose.

By using a mortgage broker that is dependant on the commission, you will have someone work harder for you and he will do the best job he can, because in the long run he wants you to refer your friends and family to him.

Source: <http://www.articlecircle.com>

### About the Author

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