

# Understand the Differences Between Mortgage Providers



Securing a mortgage is one of the most confusing and challenging aspects of buying a home.

Beyond finding the best terms, you'll want a lender who provides excellent customer service—someone who answers your questions and will help you reach the closing table on time.

**If you're competing against other buyers on a specific property, you'll also want a lender who can help you make an excellent impression on sellers.** Given a choice between two comparable offers, most sellers will pick the buyer who looks better on paper in terms of financing.

## How do you find the best lender?

Your Accredited Buyer's Representative (ABR®) can offer recommendations based on their knowledge of local options and other buyers' experiences, but the final decision is up to you.

There are many avenues to explore. The most common categories include:

## 1. Banks

Banks offer numerous services, including checking and savings accounts, credit cards, and personal loans. Since they don't specialize in mortgages, their financing options may be more limited.

Also, mortgage processing and underwriting may take longer.

However, if you already have an established relationship with a bank and appreciate having all your accounts in one place, this could be a good option.

## 2. Online lenders

Companies like Rocket Mortgage and LoanDepot are significant issuers of digital mortgages and attractive options for borrowers interested in—and qualified for—a streamlined application experience.

While online lenders claim their platforms are faster and easier, keep in mind that you'll probably be coordinating details with a call center instead of a personal loan officer, which can make it harder to control the application process and meet your contractual deadlines.

## 3. Mortgage lenders

Some lenders only offer mortgages and provide a broader range of products, including FHA, VA, USDA, and other loans tailored to borrowers' unique circumstances.

Most mortgage lenders keep all their processing, underwriting, and closing services "in house," which can shorten and streamline the process of closing your loan.

## 4. Credit unions

Since credit unions are designed to serve their members, you might be able to secure an attractive mortgage through one of these nonprofit lending institutions. Credit unions also tend to have close ties with their local community and offer a more personal touch.

## 5. Mortgage brokers

Brokers do not issue any loans but have relationships with many different lenders. They can help you pinpoint a program ideal for your needs and identify the best rates between lenders through their extensive network.

It's a good idea to get pre-approved by at least two lenders. Yes, it takes time. But you'll learn a lot in the process and feel more confident about your final decision.

The Accredited Buyer's Representative (ABR®) designation is awarded by the Real Estate Buyer's Agent Council (REBAC), a subsidiary of the National Association of REALTORS® (NARI).

To learn more about REBAC and access various home buyer resources, please visit [REBAC.net](https://REBAC.net).

