
HOW DO I CHOOSE A LENDER OR MORTGAGE BROKER AND A LOAN?

Call lenders and mortgage brokers and ask about interest rates and fees for the size loan you need. Be sure to ask:

- What types of loans are available?
- What is the approximate amount you will have to borrow to receive the amount of cash you want? (That is, what amount of fees will be financed and deducted from your loan proceeds?)
- Does the lender or mortgage broker offer loans in the dollar amount you need?
- How much is the lender's fee or broker's commission on this size loan?
- What other fees or costs will you be charged and what is the estimated amount of each?
- Will you have to pay any fees if the loan is denied?
- Will you have to pay any fees if you apply, but then change your mind?
- What is the amount of the monthly payments and the amount of any balloon payment?
- Will the loan be fully amortized/paid off by the regular monthly payments?
- What is the length of the repayment period/term of the loan? (The more time you have to repay, the lower your payments will be on a fully amortizing loan.)
- What is the simple interest rate?
- Is the interest rate fixed or does it vary over the term of the loan (adjustable rate)?
- What is the annual percentage rate?
- Is there a penalty for paying the loan off early (prepayment penalty)? If so, how much?

A good way to determine how much the fees and costs will be on a loan is to ask each lender or broker two questions: 1) Approximately how