



INTRODUCTION

A home loan is a transaction in which you promise to repay money you have borrowed and also give the lender a mortgage on your home to secure repayment. In California, your promise to repay is ordinarily in the form of a promissory note and the mortgage is ordinarily in the form of a deed of trust. You need to make certain that you understand the terms of the loan before you sign off and become obligated. Whether you obtain a loan through a mortgage broker, a financial institution, or some other lender, you should ask questions about the loan process and paperwork so that you understand the form of the transaction and the terms of the loan before you agree to them.

The purpose of this booklet is to provide basic information about using the services of a mortgage broker, which may assist you in making an informed decision when seeking a home loan.

SOURCES OF HOME LOANS

Home loans are available through many different sources, including mortgage brokers, mortgage banking companies, commercial banks, community banks, credit unions, and other financial institutions. There are also many federal, state, county, and city government programs that offer home loans and/or down payment assistance. If you are using the services of a mortgage broker, he or she may be able to provide information about various programs available to you.