



Are You Pre-Approved For A Mortgage?

If you've decided that you want to buy a home, the first step you should take isn't necessarily going online and looking at listings, or touring an open house. Before all of that, you need to know an estimate of how much money you could be qualified to take out in a loan from a bank to purchase a home. This is called being "pre-approved for a mortgage," and is truly the first step you should take when purchasing a home.

What is a Mortgage Pre-Approval?

When you're pre-approved for a mortgage, it means a credit union or bank has looked at your financials and credit score and written you a pre-approval letter. This letter states how much money they would lend you for a mortgage in buying a home. It does not mean that it is a legal binding contract. There is no guarantee that you will get that pre-approved rate, nor does it mean if you find another company with better rates you can't get a loan with them instead. However, it is a physical document that you can use to help set you apart in the housing search.

How to get PRE-APPROVED for a mortgage

Interview Lenders



To begin the pre-approval process, interview lenders to find great rates, terms and customer service. Explain what you need from a mortgage.

Pre-qualify for Mortgage



Once you've found a lender you want to work with, talk about your financial situation generally. Get a pre-qualification, which is a general idea of how much you could be qualified for, but is not a pre-approval.

Pre-approved for Mortgage



After you get pre-qualified, you will give the lender proof on income, proof of assets, your credit score and identification. They will look at these finances, and either pre-approve you and give you a more solid number of how much you qualify for with a mortgage. They will write this in a pre-approval letter, which you can use to get a reputable real estate agent and make offers on a home.