



# choosing a lender

## what to ask when comparing options

Great lenders listen and take the time to get to know you in order to find the best loan for your needs. It is important that you also get to know them, their offerings, and how they plan to support you through the home buying process.

You will want to contact at least 3 lenders to ensure you are getting the best loan with the lowest rate. Here are six questions to ask each one to help break the ice and to compare side by side.

- 1 What is the right type of mortgage for my situation?
- 2 What is the interest rate and annual percentage rate?
- 3 What is everything that goes into my monthly payment and what would it be?
- 4 What are all of the costs and prepaid expenses I will pay at closing?
- 5 What is your turnaround time for closing after going under contract?
- 6 Are you available on weekends when I will likely be submitting offers?

## common lending questions

### What should be my minimum credit score?

Generally speaking, a credit score of 620 is needed to qualify for a loan. Some lenders allow for government backed FHA and VA loans with credit scores starting at 580.

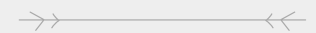
**Pro Tip:** Even if your credit scores fall below these targets, a good lender can connect you with a credit repair specialist who can work with you to improve your credit.



### How much do I need for a down payment?

A first-time homebuyer can put down as little as 3%, whereas, for a repeat homebuyer, the minimum can be as low as 5%. Veterans using a VA loan are eligible to put 0% down.

**Pro Tip:** You may be eligible for a down payment assistance program. Ask your lender about CHFA, Metro DPA, or other programs you may qualify for.



### Do I need to pay off all of my debt first?

You do not need to be debt free to qualify for a loan! Debt is normal and to be expected. In many situations, you can qualify for a loan without having to pay debts off or down.

**Pro Tip:** Lending guidelines are centered around debt-to-income ratios (often referred to as DTI). A good lender will take the time to explain what this looks like and means for you.



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