

Ranked #1 Real Estate Company  
in Eastern Montana!



Providing Five Star Service  
Since 1959

A preliminary look at your income, assets, liabilities, and anticipated housing costs will allow us to help you determine a realistic price range. We'll show you some variations on financing, to help you plan for your current and future income and equity.

Your Prudential Floberg Associate can introduce you to a lender that can further assist you in determining how much of a loan you may qualify for. The lender will either pre-qualify or pre approve you. Taking the time to get pre-qualified or pre-approved may help you down the line, when you are making an offer on the home that you want to purchase.

## Should You Get Pre-Qualified or Pre-Approved?

That depends on whom you ask. It seems that definitions can vary from lender to lender and individual to individual. While most discussion, written and verbal, compares pre-qualification to pre-approval, lenders actually offer three levels of services to qualify a borrower for a mortgage- pre-qualification, pre-approval and final commitment ("Pre-Qualified or Pre-Approved: What's the Difference?" posted June 12, 2002 at the Cincinnati Board of REALTORS, org)

### Pre-Qualification

Usually, in just a 15-minute phone call, a lender can pre-qualify you for a mortgage. Because the lender's underwriters do not validate credit history or employment information for pre-qualification, the preliminary review results in a non-binding opinion regarding how much of a mortgage a borrower can afford. By seeking pre-qualification, you'll come away with an estimated monthly payment and a price range to shop based on the loan size. This information, however, is intended to be a guide as you begin the home buying process. It does not guarantee that you'll be approved for a mortgage.

### Pre-Approval

The closest thing to a guaranteed loan comes with pre-approval. After completing a formal application and providing all the necessary documentation related to employment and financial disposition, the file, along with a full credit report, will be thoroughly evaluated and verified by the lender's underwriters. If everything meets to their satisfaction, you will be cleared for a loan of a determined amount. This in no way means you have a firm commitment though. The loan is subject to a fully executed sales contract and an acceptable appraisal. But being pre-approved can give you a sizeable advantage. Many lenders present borrowers with a letter, which may give you more leverage with a seller.

### Firm Commitment

The lender can issue a firm commitment once the seller accepts your offer, the home has received a satisfactory appraisal, and your credit has been rechecked. If all checks out, you've got a mortgage! To help eliminate unwanted surprises, keep these tips in mind:

- ✓ Make sure a lender's pre-qualification program is underwritten.
- ✓ Don't divulge to a seller how much you've been approved for.
- ✓ Be alert. Many lenders use the term "pre-approval", but when you read the fine print, it's really a pre-qualification. If the lender hasn't requested documentation, it's a good bet that you've been pre-qualified rather than pre-approved.
- ✓ Contact the lender if your financial circumstances change prior to closing. The pre-qualified or pre-approved status may no longer be valid.

*Helping you through the Homefinding Process...  
Our goal is that you will be  
delighted with the experience.*