

Shopping Around?

Here's The Inside Scoop On How To Do It Right!

First: Make sure that you are working with an experienced, professional loan officer. The largest financial transaction of your life is far too important to place into the hands of someone who is not capable of advising you properly and troubleshooting the issues that may arise along the way. But, how can you tell?

Here are **FOUR SIMPLE QUESTIONS YOUR LENDER ABSOLUTELY MUST BE ABLE TO ANSWER CORRECTLY.** IF THEY DO NOT KNOW THE ANSWERS... **RUN...** DON'T WALK... RUN... TO A LENDER THAT DOES!

1. What Are Mortgage Interest Rates Based On?

The only correct answer is Mortgage Backed Securities or Mortgage Bonds, NOT the 10-year Treasury Note. While the 10-year Treasury Note sometimes trends in the same direction as Mortgage Bonds, it is not unusual to see them move in completely opposite directions. DO NOT work with a lender that has their eyes on the wrong indicators.

2. What Is The Next Economic Report Or Event That Could Cause Interest Rate Movement?

A professional lender will have this at their fingertips (or know off the top of their head). For an up-to-date calendar of weekly economic reports and events that may cause rates to fluctuate, you can visit www.mylenderdankeller.com and hit the red MMG Weekly banner.

3. When Ben Bernanke And The Fed "Change Rates", What Does This Mean...And What Impact Does This Have On Mortgage Interest Rates?

The answer may surprise you. When the Fed makes a move, they are changing a rate called the "Fed Funds Rate". This is a very short-term rate that impacts credit cards, credit lines, auto loans, and the like. Mortgage rates most often will actually move in the opposite direction as the Fed changes, due to dynamics within financial markets. For more information and explanation, just give me a call.

4. What Is Happening In The Market Today, And What Do You See In The Near Future?

If a lender cannot explain how Mortgage Bonds and interest rates are moving at the present time, as well as what is coming up in the near future, you are talking with someone who is still reading last week's newspaper, and probably not a professional with whom to entrust your home mortgage financing.

Be smart... Ask questions... Get answers!

More than likely, this is one of the largest and most important financial transactions you will ever make. You might do this only 4 or 5 times your entire life... **but we do this every single day.** It's your home and your future. It's our profession and passion. We're ready to work for your best interest!

Shopping Around? (part 2)

Here’s The Inside Scoop On How To Do It Right!

Once you are satisfied that you are working with a top-quality professional mortgage advisor, here are the rules and secrets you must know to “shop” effectively.

IF IT SEEMS TO GOOD TO BE TRUE THEN IT PROBABLY IS.

But you didn’t really need me to tell you that, did you? Mortgage money and interest rates ALL come from the same places, and if something sounds really unbelievable, better ask a few more questions and find the hook. Is there a pre-payment penalty? If the rate seems incredible, are there extra fees? What is the length of the lock-in? If fees are discounted, is it built into a higher interest rate?

YOU GET WHAT YOU PAY FOR.

If you are looking for the cheapest deal out there, understand that you are placing a hugely important process into the hands of the lowest bidder, that in the end while saving you a couple of dollars, could cost you thousands! Best case, expect very little advice, experience, and professional service. Worst case, expect you may not close at all, and if you do, you may lose thousands of dollars over the life of the loan. All too often, you don’t know until it’s too late that cheapest isn’t BEST. But if you want the cheapest quote, head on out to the Internet, and we wish you good luck! Just remember, that if you’ve heard any horror stories from family members, friends, or co-workers about missed closing dates, or big surprise changes at the last minute on interest rate or costs...these are often due to working with discount or Internet lenders who may have a serious lack of experience and knowledge. MOST IMPORTANTLY, REMEMBER THAT THE CHEAPEST RATE ON THE WRONG STRATEGY CAN COST YOU THOUSANDS MORE IN THE LONG-RUN. This is the largest financial transaction that most people will make in their lifetime. That being said – we are not the cheapest. Of course our rates and costs are extremely competitive, but we have also invested in the systems and team we need to ensure the top quality experience that you deserve.

MAKE CORRECT COMPARISONS.

When looking at estimates, don’t simply look at the bottom line. You absolutely must compare lender fees, as these are the only fees that a lender controls. And make sure that lender fees are not “hidden” amongst the title or state fees. A lender is responsible for quoting other fees involved in a mortgage loan, but since they are third party fees – they are often under-quoted upfront by a lender to make their bottom line appear lower, since they know that many consumers are not educated to NOT simply look at the bottom line! APR??? Easily manipulated as well, as worthless as a tool of comparison.

UNDERSTAND THAT INTEREST RATES AND CLOSING COSTS GO HAND-IN-HAND.

This means that you can have any interest rate that you want – but you may pay more in costs if the rate is lower than the norm. On the other hand, you can pay discounted fees, reduced fees, or even no fees at all - but understand that this comes at the expense of a higher interest rate. Either of these balances may be right for you, or somewhere in between. It all depends on what your financial goals are. A professional lender will be able to offer the best advice and options in terms of the balance between interest rate and closing costs that correctly fit your personal financial goals.

UNDERSTAND THAT INTEREST RATES CAN CHANGE DAILY, EVEN HOURLY.

This means that if you are comparing lender rates and fees – this is a moving target on an hourly basis. For example, if you have two lenders that you just can’t decide between and want a quote from each, you must get this quote at the EXACT same time, on the EXACT same day, with the EXACT same terms or it will not be an accurate comparison. You must also know the length of the lock you are looking for, since longer rate locks typically have slightly higher rates.

Again, our advice to you is to be smart. Ask questions. Get answers.

As you can imagine, we wouldn’t be encouraging you to shop around if we weren’t pretty confident that we feel that we can give you a great value and serve you the very best.

Dan Keller

Dan Keller's



My Commitment To Communicate:

I will call you every Monday with a weekly forecast, and every Friday with an weekly update of achievement. In the meantime, you will be contacted as we continue to check-off additional items and prepare to fund your purchase!

“It is my goal to take the stress out of buying a home, and to ensure that you have nothing less than an exceptional lending experience with me & my Team!”

- Dan Keller

The Dan Keller Perfect Loan Process “Communication Checklist”

Check off each item as we work toward a smooth & timely closing

- Loan application completed online date _____
 - Credit check and property value check (refinance) date _____
 - Mortgage Analysis Consultation with Dan Keller to choose best program to meet your needs, submit to Dan all items from the “Items Needed Checklist”, and sign beginning loan application and disclosures date _____
 - Purchase & Sale Agreement Submitted To Dan date _____
 - Home Inspection is advised date _____
 - Loan is submitted to lender for credit approval date _____
 - Appraiser will call you to schedule appraisal – COD payment is required date _____
 - Lender underwrites file and issues "Conditional Approval" date _____
 - We gather final conditions for full approval date _____
 - Lender reviews conditions and issues "Clear to Close" date _____
 - Schedule closing date _____
 - Lender sends closing instructions to title company to create closing documents and HUD (settlement statement) date _____
 - Review Settlement Statement with Dan 48 hours before Escrow/closing date _____
 - Sign final documents during closing at title company date _____
- ***Please be sure to bring picture identification to closing***
- CLOSING DATE** _____ date _____

Purchases will fund the same day of closing if done early in the day, if not the wire will be received early the next business day.

Refinances and cash outs have a "Three Day Right of Rescission" and will not fund until the fourth day after the closing. (Saturdays count in the rescission period, but Sundays do not.)

Items Needed Checklist: 2007 & 2008 W-2's and Tax Returns, 60-days bank and asset account statements, last month's pay stubs, copy of social security card & driver's license, bankruptcy and/or divorce certificates if applicable

Please Do Not Hesitate To Contact Me Directly If You May Have Any Questions ☺

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