



HOMES & LAND
OF EDMONTON

Mortgage Brokers – Professional Mortgage Expertise

By Jacqueline Sharon



Variable rates, fixed rates, amortization and term, CMHC, pre-qualification, compounding interest, prime rate... What does it all mean?

For most home buyers, navigating the mortgage highway is, to say the least, a daunting experience. And if you're a first-time home owner, the process can be downright terrifying.

So, where do you turn? A qualified mortgage broker can be a great source of information about all types of mortgages. Plus, they have the ability to shop around and personalize the mortgage that best fits your needs.

Brokers deal with a large variety of lending institutions, and are usually able to obtain discounts on most rates, as well as provide you with an unbiased objective opinion on what type of loan will work best for each individual situation.

Because of the wide array of lenders they deal with, brokers are usually more successful in attaining loans for clients with lower, non-salaried, or unconventional income.

Mortgage brokers are often more knowledgeable about the process than a typical loans officer at a bank

or credit union who only deals with mortgage applications as a small part of their job.

The Real Estate Council of Alberta oversees the industry and its members adhere to a strict code of ethics and educational principles that provide them with a professional standard of practice. In order to be licensed by the RECA, potential brokers must write the Provincial Qualifying Exam and achieve a grade of 70% or higher.

Brokers charge a fee for their service which is typically paid by the lending institution. Most lending institutions pay similar rates, so the main focus of the mortgage broker is to find you the best rate and the best product. If there are any fees to be paid by the purchaser, the broker should let you know in advance.

When choosing a mortgage broker, enquire if they are licensed with the RECA, check with friends and family for any recommendations, and above all, ask a lot of questions.

How many years of experience do they have? You should find out how accessible they are. Can they meet with you during the evening or on weekends? Will they come to your home? Find out how long it will take for your approval to come through. Ask them how many options they will be prepared to give you.

It's also a good idea to get quotes from two or three different brokers to make sure you're getting the best deal possible.

A mortgage broker will help you decide which type of loan is best, fixed-rate or variable interest, inform you of the interest rate you will be paying, break down all the costs associated with the mortgage, and advise you as to whether or not there will be a prepayment penalty should you want to close out the mortgage early.

Finding a broker that you respect and trust will help guide you through the mortgage financing process with ease.

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