

# Mortgage Pre-Approval Loan is the Best Way to Buy a Home in Boise

Mandi Feely Swain January 20, 2014



Mortgage Pre-Approval in Boise

**A mortgage pre-approval loan decision is the best way to save time and money when buying a home in Boise. A mortgage broker can help with the pre-approval process. Now is a good time to act while rates are low and the inventory of available homes is high.**

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A mortgage pre-approval loan is the process of having a lender commit in writing to a mortgage amount for a borrower's home purchase. A pre-approval commitment has multiple benefits for a home buyer. The commitment amount is made based upon a borrower's income and credit information is typically valid for 60 to 90 days.

Getting pre-approved enables the borrower to understand how much money may be available to purchase and maintain a home. This amount helps in evaluating the price range, location and features of the home under consideration. In addition, a pre-approval moves the buyer to the "front of the line" versus other interested parties who are not pre-approved. Pre-approval demonstrates to a realtor that you are a qualified buyer, and an offer with a down payment will be taken more seriously. Most bank-owned homes require pre-approval to secure a mortgage.

Ms. Mandi Feely Swain, a Loan Officer and Manager at American Pacific Mortgage (<http://www.mortgageboise.net>) in Boise says that "Being pre-approved is important to all homebuyers obtaining a mortgage. There are two main benefits, the buyer will know how much they can afford and what their payment will be on their dream home and they have more buying power as most sellers these days will not accept an offer without a letter of approval from a lender."

Home buyers are often presented with the somewhat confusing terms pre-approved and pre-qualified. There is a genuine difference between the two terms. Pre-qualified merely states that the lender has received a loan request from the borrower, no further information is contained or required. Pre-approval means that financial and employment data has been submitted and approved. Pre-approval carries significant weight in mortgage lending.

The Dodd-Frank Act also instituted regulations for mortgage lending that place emphasize on the information needed for mortgages and places limits on the value of pre-qualification. Accurate financial data will prevent potential problems related to foreclosures. Pre-approval is almost a guarantee for a mortgage. The FHA requires credit scores to be within certain ranges to be eligible for its wide variety of loans. This is similar to pre-approval procedures from commercial lenders.

An often asked question is will most real estate agents work with a non-pre-approved buyer. Real estate is an extremely competitive field and agents need to invest their time with clients who can move quickly on a purchase. Many agents will recommend and assist potential clients who are not pre-approved into the process that will enable them to become ready. There may be credit problems or other financial issues that could block a mortgage. Many agents will advise these clients with how to clear up issues that prevent them from pre-approval and save everyone time, future payment problems and eventual disappointment. Some of these recommendations may include improving the credit score, decreasing overall debt, and possibly increasing the down payment amount. These options can make a significant difference toward receiving a pre-approval for a mortgage.

Mortgage brokers want to see you buy a home. Despite the usual financial rumors about how hard it is to get a loan, mortgage brokers in Boise report making more loans than they decline. They also work to educate borrowers for how to manage debt and credit as well as inform clients about which Government programs might be appropriate for them and how to qualify. Pre-approval involves serious homework by the borrower, getting the best advice for the best loan, and using all appropriate resources and programs. Mortgage brokers are experts with finding the best solution to getting pre-approved and settled into a new home. They want to help, that's their business. Ms. Swain of American Pacific Mortgage ([www.mortgageboise.net](http://www.mortgageboise.net)) confirms "American Pacific Mortgage is a mortgage banker. The benefit to working with a Mortgage Banker is mortgages are all we do. 100% of our efforts are focused on helping clients obtain the best financing option with the lowest down payment and a competitive rate."

Mortgages are available in Boise and there are many ways to obtain one. The housing market is thriving and rates are low. Being pre-approved for a mortgage will speed the process along quite quickly. This enables the buyer to have the best chance of getting the home of their dreams and not lose out because someone else had locked in a mortgage before them. Getting pre-approved is a wise step to take in home buying.

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