

## No two have same financial situation

A key part of the homebuying process is choosing the right lender. There are hundreds of lenders in north Georgia, not to mention the ones available online.

Everyone hears horror stories about the home-



buying **Rena Rogers**

process, and many of them are true. Of course, some tales are blown out of proportion, and it seems there is always an expert ready with advice, who may have once gotten a mortgage. The so-called expert may be a coworker, friend or even a neighbor, who is ready, willing and able to tell a potential homeowner what to expect in the homebuying process. Often, the advice and experience sharing is not helpful. First of all, no two borrowers have the same financial situation. While there are similarities in the homebuying process, when it comes to issues with obtaining a mortgage loan, every loan applicant's situation is different.

Complications on a mortgage loan occur at times. A mortgage is a complicated transaction. There are hundreds of issues that factor in during the loan approval process. For example, a borrower may report to a lender a certain income at the prequalification phase. Typically, prequalification happens in a phone conversation between a borrower and loan officer. At this point, nothing is verified by the loan officer; rather, the applicant is merely answering questions about his income, job history, available funds for down payment, etc. Prequalification is a preliminary stage of the homebuying process. Once a borrower has made formal loan application, the lender begins to verify his personal data. What happens at this stage is the lender verifies employment, reviews credit, verifies bank account informa-

tion, rental history, etc. This is when potential problems begin to occur. One such problem may be surprises on a credit report, which are derogatory, that did not appear on the prequalification credit check. Surprise credit problems can wreak havoc on a borrower's loan buying experience. Let's say a borrower had a previous marriage where he had joint accounts with his ex-spouse. Since his divorce, he's kept his credit clean, but his ex-spouse has not been paying debts on time, which were and still are in both their names. The ex-spouses may have decided between them verbally the debts each of them were responsible for. Unless the divorce decree states which spouse is responsible for which debt, both are responsible. The person paying the debt can damage the credit of the one who is joint on a particular account. This type problem happens frequently and can be a major obstacle in getting a loan approved. It is a common misconception that a prequalification credit check reveals one's complete borrowing history. Usually, this type credit check is based on information provided from one credit repository only. Once a formal loan application is filed, a thorough credit report is done. This report is essential for approval and reveals complete information about one's credit history.

Frequently there is turbulence in the processing of a loan application. Surprises can occur on any loan. The credit problem described here is one of many things that can go wrong. A lender who is experienced and knows how to work through problems is an asset to a homebuyer. A lender who throws in the towel at the first sign of turbulence can be a disaster. It is important to be confident in your lender's ability to see things through to the closing.

*Rena Rogers has been originating mortgage loans more than 20 years. She may be reached at 770-387-4504.*