



LENDER QUESTIONS

What are some question to ask the lender?

Here are some of the most important questions to ask your lender when considering a loan or mortgage:

- What's the Interest Rate?
 - Understand whether the interest rate is fixed or variable.
 - Ask for both the nominal rate and the annual percentage rate (APR), which includes fees and other costs.
- What Fees are Involved?
 - Inquire about origination fees, application fees, underwriting fees, and any other charges.
 - Ask about prepayment penalties if you plan to pay off the loan early.
- What's the Loan Term?
 - Determine the duration of the loan (e.g., 15 years, 30 years) and how it affects your monthly payments.
- What Will My Monthly Payments Be?
 - Understand the breakdown of your monthly payment into principal and interest.
 - Ask about potential changes in monthly payments if you have a variable rate loan.
- What's the Down Payment Requirement?
 - Learn the minimum down payment required, especially for mortgages.
 - Inquire about any options for lower down payments, such as mortgage insurance.
- Can I Use Seller Concessions to Buy Down My Interest Rate?
 - Ask if you can negotiate with the seller to cover some of your closing costs or use a concession to buy down your interest rate.
 - Find out how much a rate buy-down would cost and how it impacts your monthly payment and long-term savings.
 - If you're a seller, ask how offering a rate buy-down could help attract buyers in today's market.



- What's the Total Cost of the Loan?
 - Get an estimate of the total amount you'll repay over the life of the loan, including interest and fees.
- Are There Prepayment Penalties?
 - If you plan to pay off the loan early, ask about any penalties or fees associated with prepayment.
- What's the Process and Timeline?
 - Understand the steps involved in the application and approval process.
 - Ask for an estimated timeline for approval and funding.
- What Documents Are Required?
 - Inquire about the documents needed to complete the application process.
- Can I Lock in the Interest Rate?
 - If applicable, ask if you can lock in the current interest rate and how long the rate lock lasts.
- What's the Minimum Credit Score?
 - Understand the credit score requirement for loan approval.
- What Could Affect Loan Approval?
 - Ask about factors beyond credit score that could impact your eligibility for the loan.
- Can I Get Pre-Approved?
 - Inquire about pre-approval and its benefits in the loan application process.
- What Happens if I Miss Payments?
 - Understand the consequences of missing payments and whether there's a grace period.
- Can I Make Extra Payments?
 - Ask if you can make extra payments to pay off the loan faster without penalties.
- What Happens if I Can't Make Payments?
 - Inquire about options for loan modification, forbearance, or other alternatives if you encounter financial difficulties.

Remember, the more informed you are about the terms and conditions of the loan, the better prepared you'll be to make a confident decision. If anything is unclear, don't hesitate to ask the lender for clarification.