

4 Tips to Getting a Loan

These days one of the biggest impediments to closing a real estate sale can be the buyer's ability to get a mortgage.

Here are some tips for anyone who hopes to land a loan:

- **Turn to the government.** The biggest source of loans these days is the Federal Housing Administration (FHA) and the Veterans Administration (VA). These programs accept borrowers with lower credit scores and allow them to put down as little as 3.5 percent of the purchase price.
- **Document, document, document.** Borrowers will need bank statements, brokerage statements, W-2 forms and tax returns.
- **Boost credit scores.** Borrowers should avoid having more than one-third of their maximum borrowing capacity outstanding on one credit card. If necessary, rotate the debt among several cards.
- **Work your connections.** Comparison shopping is easy online, but if your customer has an established relationship with a local bank, suggest they try that lender first.

Source: *BusinessWeek.com, Christopher Palmeri (01/23/09)*

Personal Footnote: Always begin with the local financial institutional with which you have a relationship. When comparison shopping, while easy online, normally does not compare apples to apples, nor does it make allowances for some of in-house services available in the local, established lending institutions. Also, broker originations fees and other fees may apply with online lenders, which are not applicable to the home town lender. Carl Brown - 1/27/2009