



# Mortgage Rate UPDATE

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## The Difference Between Pre-Qualification and Pre-Approval

Pre-qualification is the first step in obtaining mortgage financing. A potential borrower answers a few questions to provide the loan consultant with a quick snapshot of the borrower's income, existing debt, accumulated savings and whether or not there is a co-borrower. Signature(s) allow the loan consultant to run a credit report and begin to determine what loans are good candidates for this particular client. However, there are literally thousands of loan programs available. It is important for the loan professional to know the long-term financial objectives of the prospective homeowner.



Pre-approval is a written documentation that proves the borrower has full support of a lender. It means the form 1003 Uniform Residential Loan Application has been completed and reviewed by an underwriter. Based on the borrower's income, debt ratio and savings, the underwriter will provide a dollar amount this borrower is eligible for. Now the borrower has the convenience of shopping for a home in the price range agreed upon by the lender.

Pre-approval allows potential homeowners to shop as cash buyers, and that means negotiating power. Sellers will take an offer from a pre-approved shopper much more seriously and may even accept a lower bid because they know the financing is in place and the deal is secure.

## Mortgage Interest Rates for Fixed Rate Mortgages\*

Rates as of Wednesday, 3rd March, 2010:

	Term	Conforming	APR	Payment per \$1,000	Jumbo	APR	Payment per \$1,000
<b>15-Yr. fixed</b>	180	4.250%	4.545%	\$7.52	6.875%	7.035%	\$8.92
<b>5-Yr. fixed ARM</b>	360	3.500%	3.660%	\$4.49	n/a%	0.000%	\$0.00
<b>30-Yr Fixed</b>	360	4.875%	5.048%	\$5.29	8.00%	8.105%	\$7.34
<b>20-Yr fixed</b>	240	4.875%	5.111%	\$6.53	7.875%	8.008%	\$8.29

\*Rates are subject to change due to market fluctuations and borrower's eligibility.

All quotes assume the following: Minimum loan size of \$125,000, 70% LTV/CLTV. Primary Residence, Single Family Residence. Purchase or refinance (No Cash Out). 30 day lock period. Credit score of 740 or greater. Discounts May Apply

