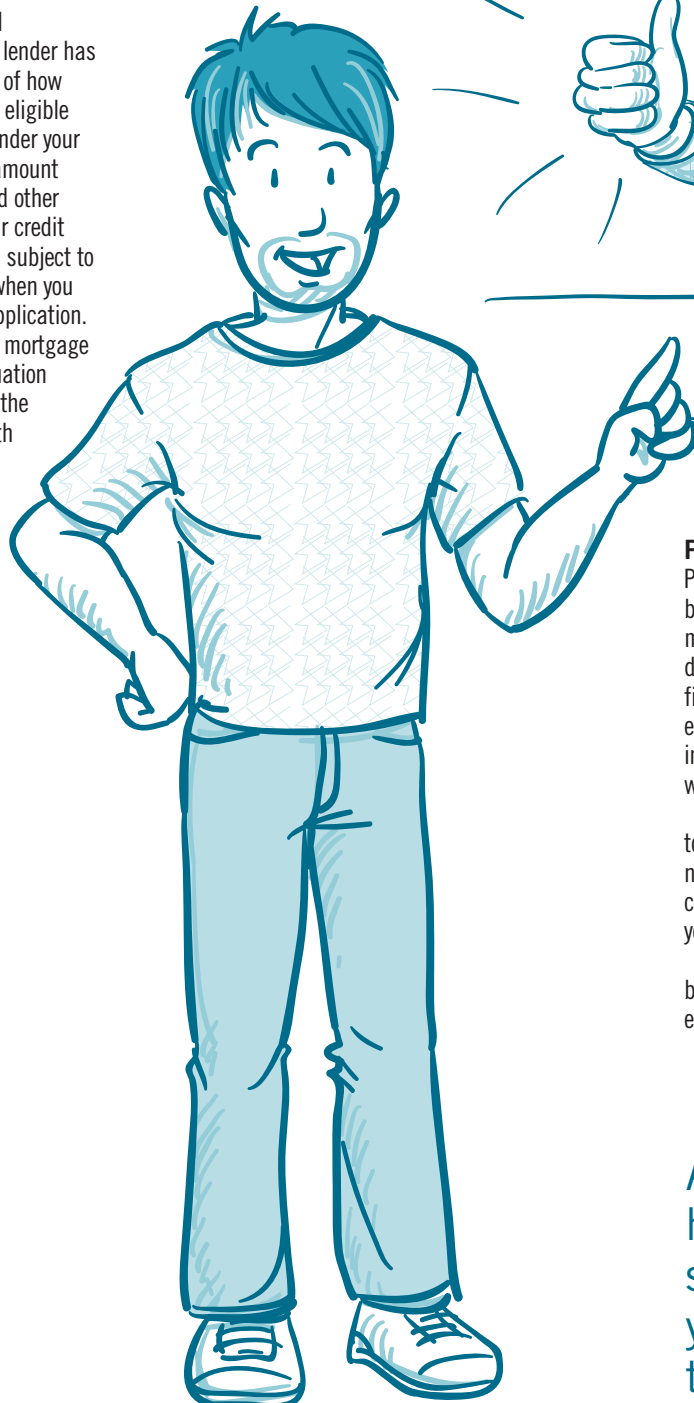


WHAT IT MEANS TO BE PRE-QUALIFIED OR PRE-APPROVED

Getting pre-qualified or pre-approved for a mortgage loan gives you information about what you can afford. Here's what those terms mean.

PRE-QUALIFICATION

Pre-qualification means a lender has done an initial calculation of how much money you might be eligible to borrow. You provide a lender your approximate income, the amount of debt you're carrying, and other important details from your credit history. This information is subject to verification by the lender when you submit your actual loan application. There is no guarantee of a mortgage loan, as your financial situation has not been verified. But the lender may provide you with a pre-qualification letter, which has more details about your likelihood of obtaining a loan.



PRE-APPROVAL

Pre-approval means your financial situation has been verified by the lender. You will fill out a mortgage loan application and provide supporting documentation. The lender will examine your financial situation—your credit report, your employment history, your income—and decide what interest rate to offer and the maximum amount you would be permitted to borrow.

Although pre-approval provides more certainty to a borrower than pre-qualification, it also does not guarantee a mortgage loan. That involves other conditions, such as an assessment of the property you want to purchase.

Make sure you know how much you can expect to borrow. Talk with your lender and get a professional examination of your financial situation.

A REALTOR® can help explain and simplify the steps you need to take to own a home.