

## Interviewing Your (Next) Mortgage Advisor

The following is a list of questions that can help you interview and select the right mortgage advisor for your next purchase or refinance transaction:

- **Do you own your own home?**
  - This shows that your mortgage advisor has some proverbial “skin” in the game. They understand the dynamics of owning a home and having the right mortgage.
- **What is your academic background?**
  - Academic history is not a prerequisite to getting in the mortgage business. Many people have very low to no academic background. You want to make sure that the individual serving you on your most important and expensive asset has the right experience and background to help you safe guide through the transaction.
- **How long have you been in the business?**
  - Experience is the most important element in any real estate/mortgage transaction. Work with a professional with years of experience and the right tools rather than a “rookie” who might fumble with your valuable transaction. You should be working with someone with at least 3+ years of experience originating mortgages.
- **How many transactions have you closed successfully?**
  - Many people promote themselves as mortgage professionals but have barely closed a couple of deals. Experience means someone having closed at least 50 or more deals. Why would you risk working with a relative newbie when there are so many qualified mortgage advisors to serve you.
- **Do you have a resume you can provide?**
  - A resume provides a written history of your mortgage advisor’s academic and work experience/background. Also, if your mortgage advisor does a good job you can pass the resume to your friends/family. You will be surprised how many originators do not have a resume. Tell them to create one and give it to you.
- **Do you have client testimonials?**
  - Client testimonials provide evidence of happy and satisfied customers. You would like to have your name on that list too at the end of the transaction. An experienced mortgage advisor should be able to provide multiple testimonials upon request.



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- **Do you sell or do anything else besides mortgages?**
  - Mortgage lending is a very specialized and technical business. There are many moving parts to originating and funding a loan. A small misstep can lead to loan disqualification or higher pricing. A professional doing another job other than mortgages simply cannot provide the care and due diligence it requires to close a transaction smoothly and successfully. Beware of professionals providing services other than mortgages themselves.
  
- **What are mortgage interest rates based on?**
  - If the answer is anything than mortgage backed securities (MBS), there should be an immediate red flag about the mortgage advisor's knowledge of loans and their ability to provide the services they might claim to offer. MBS are individual mortgages that are pooled together (securitized) and sold off to institutional investors. It is the demand for the MBS that determine the interest rates.
  
- **How does the change in Fed Funds rate affect my mortgage rate?**
  - While a Fed Funds rate change directly affects Home Equity Lines of Credit, credit cards, and auto loans, it has little to no impact on the 1<sup>st</sup> mortgages, as well as fixed-rate mortgages in 2<sup>nd</sup> lien position. First mortgage rates are affected by MBS not with Fed Funds changes.
  
- **What is your value proposition?**
  - Reliance Financial provides 15 years in residential lending and 7 years in commercial lending. Our mission is to be a resource to the community and to educate our clients while providing them with advice that is in their best financial interest. Our business is established on referrals, therefore our name and reputation is at stake and there is no room for error.
  
- **Set expectations for transaction upfront**
  - It is important that an experienced and professional mortgage advisor takes the time to understand all your expectations from the mortgage transaction. Most of the "leg-work" in terms of loan terms and fees should be done upfront so that there are no surprises later on. This will allow for a smooth/hassle free transaction.

