



ALISA GLUTZ GROUP

Personalized service you can count on.

The Power of Pre-Approval

THE DIFFERENCE BETWEEN PRE-QUALIFICATION & PRE-APPROVAL

There's a world of difference between a "Pre-Qualification" and a "Pre-Approval." Help your clients avoid potential disaster by educating them on the difference between the two. The information below is a valuable tool you can use to help guide them on their path to home ownership and encourage them to provide the documentation early in the process.

PRE-QUALIFICATION

This is the initial step in the mortgage process. The client provides the lender with an overall financial picture (including income, assets and debt information). After evaluating this information, the lender can provide an estimate of what the client will qualify for. However, it does not include verification of the information provided. **For this reason, a pre-qualified buyer does not carry the same weight as a pre-approved buyer. A pre-qualification form (PQF) in this stage WILL NOT have boxes 23-26 marked "yes."**

PRE-APPROVAL

Pre-Approval is the next step in the process. The client completes an official loan application and provides the lender with the necessary information to document (and thus verify) income, assets and debts. **From this, the lender will confirm the buyer's ability to obtain financing as well as the specific amount for which they are approved. A pre-qualification form (PQF) in this stage WILL have boxes 23-26 marked "yes."**

	Pre-Qualification	Pre-Approval
Based on Estimates	X	
Based on Documented Information		X
Income, Assets & Credit Fully Verified		X
Written Conditional Commitment		X
Shows Sellers / Realtors You're Serious		X
Provides Strongest Negotiating Power		X

Getting a pre-approval early in the process will allow your clients to move quickly once you find them the home of their dreams. In addition, when the offer is made, it won't be contingent upon applying for a loan, which saves everyone valuable time. Obtaining a pre-approval in advance puts your clients in the best negotiating position possible!

Don't hesitate to give us a call if your buyer needs assistance.

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