

Resource Guide



PREQUALIFICATION



WHEN AND WHY TO GET PREQUALIFIED



When you're ready to purchase a home, you'll need to know what your price range is. Many realtors don't want to take their time to show you new homes if they don't know if you're prequalified for a certain price range.

Sellers will take you more seriously if the real estate agent can present them with a prequalification letter. In a seller's market with multiple offers on the table, having a prequalification letter can put you one step ahead of the competition if other potential buyers don't have letters.

Homebuilders also don't want to take hours of their time to discuss house plans and pricing out a home if you don't know what price range you're qualified for. This important step will make buying or building a new home less stressful in the long run. You'll be able to know what you are qualified to buy or build and how much down payment you'll need. Keep in mind that a prequalification is based on the information you submitted to the lender and does not guarantee you a mortgage. This data has not been verified with underwriting at this point.

That being said, while prequalification is an important step, don't get prequalified just to check your credit score. Asking a mortgage loan officer to pull your credit just to check your score will result in a hard inquiry on your credit report, which could lower your credit score.

