



# Mortgage Lender Interview Checklist



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Make the time to talk to several mortgage lenders. The added value of finding a good lender can make all the difference with better customer service, flexible terms, and useful options. Interview them about the mortgages they offer and the best deals they can create for you. Use the following checklist to help you get started.



## Questions for the Lender

Begin with general questions about the lender and their background. Record and check this information, particularly in relation to licenses and regulations after the interview. If the lender is not forthcoming about any specific details, it is best to move on to another potential lender.

- Does the lender hold a license from the province they are practicing in?
- What company is represented by the lender?
- What types of loans do they offer?
- What fees are charged and approximately how much will they cost?
- Will the loan be held by the lender/company or will it be sold?
- Who will the buyer be dealing with and how/when can they be contacted?
- How will personal information be kept secure?
- Will personal information be sold to other companies?

## Questions for the Broker (if using)

Brokers act as the middleman between homebuyers and lenders. They can often find mortgages from a range of sources that may not be open to individual lenders. However, they may receive payments to recommend some loans over others. If using a broker, the following questions should be asked:

- How is the broker paid?
- Are any incentives gained from certain loans?
- How much will be made from the loan that is being suggested?
- Who are the top lenders that the broker works with?

## Questions About the Mortgage

It could take several attempts before you find a lender. Once that lender has been found, move on to more specific questions about the loan products.

### 1. Interest rates

- What interest rates can they offer?
- What difference will the rates make to the overall amount to be paid back?
- Will the loan require mortgage insurance?
- If so, how much will that raise the monthly mortgage cost?
- How is the interest rate likely to change over the course of the loan?

- What is the benefit of a zero-closing cost mortgage?
- How much would zero-closing cost mortgage increase the rate?

## 2. Locking the mortgage rate

- What are the benefits of locking the mortgage rate?
- What is the term of the mortgage and the amortization period?
- What will be the effect on the overall cost of the mortgage?

## 3. Discount and origination points

- Is there an option to pay discount or origination points?
- How will these affect monthly payments?
- How will these affect the overall cost?

## 4. Down payment

- What is the required down payment amount?
- Can the amount be increased?
- Will increasing the size of the down payment provide access to lower interest rates?
- What rates are available on specific down payment amounts?

## 5. The approval process

- What is involved in the approval process?
- How long is it likely to take?
- What delays are likely to occur?
- What can the buyer do to improve on the length of time and ensure it runs smoothly?

## 6. Paperwork and other issues

- What paperwork is required to complete the process?
- Does the mortgage contain any prepayment penalties?

