

Avoid Borrowing Mistakes

By Jeff Cooper

Many of us regularly receive phone calls, letters, and e-mails telling us that we're approved for a home loan at an unbelievably-low rate. What's interesting is that these approvals come despite the fact that we haven't even applied for a mortgage!

Often these e-mails come from countries outside the U.S., which aren't affected by our anti-spam laws. Additionally, most typically aren't from legitimate lenders.

Instead, they're from marketing firms who sell information on prospective borrowers to lenders. Providing information about your loan needs can mean that numerous lenders then will contact you. So the loan terms you thought already were approved actually were just a come-on to gain personal information!

WHO CAN YOU TRUST?

Many lenders are aggressively looking for business now, since rates are going up and fewer homeowners will benefit from refinancing. Below are suggestions to go over when choosing a mortgage provider:

- * Make sure your lender will give you references from satisfied borrowers who are similar to you.
- * Make sure your lender wants to help you, rather than pressuring you into a loan that is profitable for his company.
- * Make sure your lender explains a variety of borrowing options to you, and helps you decide on one that fits your needs.
- * Make sure your lender will keep your personal financial information safeguarded at all times.

It's important to be cautious today, and remember that any deal that sounds too good to be true most likely should be avoided. You'll achieve positive results once you've found an experienced lender who will work hard on your behalf.