

# Choosing the Right Lender Is As Important As Choosing the Right Realtor

Unless you're an investor, you probably don't have a lot of experience with multiple lenders (or real estate agents) to guide you in selecting the lender who can serve you best.

I recommend that you choose your Realtor first (and not an agent who is a non-Realtor) and get a referral of the best lender for your particular situation. Make sure it's an agent who has done a lot of transactions, so he or she has had the opportunity to observe and evaluate multiple lenders.

Here is some of the advice I give to buyers. If they have already selected a lender — perhaps one they have used before, or a bank with which they have an existing relationship — I recommend that they talk to

a mortgage broker so that they get the best possible deal.

How loan officers are compensated is a complicated business, and you need to be sure that the loan officer is putting your interest ahead of his own compensation.

You may think that interest rates are pretty uniform, but loan officers earn different commissions based on what interest rate and what loan product you select. This was one of the reasons for the housing crisis in 2008, because a loan officer could earn much more if he or she put you in a subprime loan even if you qualified for a conventional loan.

Many of those loan officers have changed professions by now. Nevertheless, it's a good practice to have

one loan officer evaluate the product and rate you have been offered by another loan officer.

I don't have one loan officer I recommend. Instead, I have a stable of loan officers from which to choose based on your particular need or scenario. One is particularly good at improving credit scores to help a marginal borrower qualify for a mortgage. Some specialize in first-time home buyers and are certified to sell you a loan which, for example, can rebate 20% of your loan interest for the life of the loan. (This is the "MCC" program which has an income limitation and is limited to first-time buyers and veterans.)

A consistent piece of advice I give, besides talking to more than one loan officer, is to consider a mortgage broker as well as your banker, even though you feel "known" with him or her. First of all, your banker,

unlike a mortgage broker, may not be available after business hours. Secondly, a bank can only sell its own products. What if you're a teacher or police officer, and another lender has a program for you?

Or what if you want to buy a condo, and the condo you want is "non-warrantable" because the complex has over 50% renter occupancy or fails to meet some other approval criteria? Here is where I favor banks, because some banks have what are called "portfolio" loans — loans they don't sell to Fannie Mae or Freddie Mac and that don't have to be FHA or VA approved. Often these loans are done to satisfy a federal anti-redlining law from the 1970's, the Community Reinvestment Act. I can point you toward a couple banks that are most active in satisfying that requirement to lend money in their depositors' community.

## REAL ESTATE TODAY



By JIM SMITH, Realtor®

## This Week's Featured New Listings From Golden Real Estate

### Two Century-Old Homes, One in Lakewood and One in Golden, Will Appeal to the Adventurous

If you like historic homes with lots of character, look no further than these two Jeffco homes!

The one on the left is at 1365 Garrison Street in Lakewood, just a half block from



the new Garrison Street light rail station. It's a horse property — one-half acre with pasture, hay barn, loafing shed and a 2-car garage for your horseless carriages!

It has been a 3-unit rental and you could keep it that way, but it flows well as a single-family home, as you'll see if you view the narrated YouTube video tour which I created for it at [www.JeffcoHorseProperties.com](http://www.JeffcoHorseProperties.com).

The home has its modern side too, with solar panels on the south side which help to heat the house in the winter. (I explain how they work on the video tour.)

The house on the right is at 1013 9th Street in downtown Golden. The assessor's website



gives a construction date of 1900, but it could well have been built in the 1800's. It sits on a 1/4-acre lot which is just two blocks from Clear Creek. It is served by City of Golden water, but it also has an artesian well for irrigation. It is

zoned R-3, but it is currently a single-family home undergoing renovation, including creation of a huge master suite and two bedrooms on the top floor. It also has a main-floor bedroom and a non-conforming bedroom (with 3/4 bath) in the basement.

Both these homes are being held open on **Saturday from 1-4 p.m.** Sellers will wait until Sunday to decide among the offers received.



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