

Title:

The Hierarchy Of Lenders

Word Count:

2039

Summary:

^You've got great credit! We don't need any documentation. You're already approved.~ Although

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mortgage,real estate,interest rate,purchase,refinance,home equity,line of credit

Article Body:

^You've got great credit! We don't need any documentation. You're already approved.~ Although

Think about the lending business like a ladder. On the top of the ladder, you've got A-paper 1

These days, there's actually a fourth category below Subprime. It's called Hard Money and those

Obviously, the higher up the ladder you get, the better the rates become. Likewise, the further

The unfortunate reality today is that many Mortgage Brokers gently nudge their clients down the

The point is that you want to work with someone who pushes you up the ladder, not down. You want

Trust me. Nobody wants to ask for all that stuff. It's frustrating and it can be embarrassing

In an earlier article entitled ^The Source of Mortgage Money~, we talked about the fact that a

Twenty years ago, the only available type of loan program was a traditional 30-year fixed A-paper

Over the years, as the amount of investment capital increased, the lending business got more complicated

So, let's talk about the Subprime category for a minute. For our purposes here, that's the bottom

In most cases, the addition of the index plus margin is two or even three percentage points higher

It gets worse. Most of these programs come with a two-year prepayment penalty to boot. So the

It all sounds pretty bad, doesn't it? Sure it does. But not so fast. After discussing the obvious

And it's programs like this that increase the demand for homes; demand that props up the value

Here's the scoop. If you use one of these Subprime loan programs to get into a house or refinance

Let me quickly distinguish between this example and the recent refinance boom. If rates are dropping

What I'm discussing here is a situation where the loan program forces you to refinance to avoid

There are plenty of things you can do to start climbing that ladder and they all fall under one

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