

# SHOPPING AROUND?

## HERE'S THE INSIDE SCOOP ON HOW TO DO IT RIGHT!

First: make sure you are working with an experienced, professional loan officer. The largest financial transaction of your life is far too important to place into the hands of someone who is not capable of advising you properly and troubleshooting the issues that may arise along the way. But how can you tell?

Here are **FOUR SIMPLE QUESTIONS YOUR LENDER ABSOLUTELY MUST BE ABLE TO ANSWER CORRECTLY. IF THEY DO NOT KNOW THE ANSWERS...RUN...DON'T WALK... RUN...TO A LENDER THAT DOES!**

1) What are mortgage interest rates based on? *(The only correct answer is Mortgage Backed Securities or Mortgage Bonds, NOT the 10-year Treasury Note. While the 10-year Treasury Note sometimes trends in the same direction as Mortgage Bonds, it is not unusual to see them move in completely opposite directions. DO NOT work with a lender who has their eyes on the wrong indicators.)*

2) What is the next Economic Report or event that could cause interest rate movement? *(A professional lender will have this at their fingertips. For an up-to-date calendar of weekly economic reports and events that may cause rates to fluctuate, visit [www.suewoodard.com](http://www.suewoodard.com) and hit the green MMG Weekly banner – this is a copy of our weekly newsletter, let us know if you want to be added to my weekly distribution list)*

3) When Bernanke and the Fed “change rates”, what does this mean... and what impact does this have on mortgage interest rates? *(The answer may surprise you. When the Fed makes a move, they can change a rate called the “Fed Funds Rate” or “Discount Rate”. These are both very short-term rates that impact credit cards, Home Equity credit lines, auto loans and the like. On the day of the Fed move, Mortgage rates most often will actually move in the opposite direction as the Fed change. This is due to the dynamics within the financial markets in response to inflation. For more information and explanation, just give us a call).*

4) Do you have access to live, real time, mortgage bond quotes? *(If a lender cannot explain how Mortgage Bonds and interest rates are moving in real time and warn you in advance of a costly intra-day price change, you are talking with someone who is still reading yesterday's newspaper, and probably not a professional with whom to entrust your home mortgage financing. Would you work with a stockbroker who is only able to grab yesterday's paper to tell you how a stock traded yesterday, but had no idea what the movement looks like at the present time and what market conditions could cause changes in the near future? No way!)*

**Be smart... Ask questions... Get answers!**

More than likely, this is one of the largest and most important financial transactions you will ever make. You might do this only four or five times in your entire life... but we do this every single day. It's your home and your future. It's our profession and our passion. We're ready to work for your best interest.