

16 Questions to Ask When Choosing a Lender

Loan terms, rates and products can vary significantly from one lending company to the next. Plus, how do you handle closings in the age of COVID-19?



General questions:

- What are the most popular mortgages you offer? Why are they so popular?
- Are your rates, terms, fees and closing costs negotiable?
- Do you offer discounts for inspections, homeownership classes or automatic payment set-up?
- Will I have to buy private mortgage insurance? If so, how much will it cost and how long will it be required?
- What escrow requirements do you have?
- What kind of bill-pay options do you offer?
- Do you do remote closings?
- Explain the process of closing with social distancing.

Loan-specific questions:

- What would be included in my mortgage payment (homeowner's insurance, property taxes, etc.)?
- Which type of mortgage plan would you recommend for my situation?
- Who will service this loan—your bank or another company?
- How long will the rate on this loan be locked-in? Will I be able to obtain a lower rate if the market rate drops during the lock-in period?
- How long will the loan approval process take?
- How long will it take to close the loan?
- Are there any charges or penalties for prepaying this loan?
- How much will I be paying in total over the life of this loan?

