

How Mortgage Brokers Fit into the Home Buying Process

During the home buying process, mortgage brokers are common channel to use when obtaining a home loan. Professional members of the Idaho Association of Mortgage Brokers (IAMB) have played a major role in helping consumers fulfill the American dream of homeownership. Nationwide, mortgage brokers originate two of every three home loans.

Mortgage brokers serve as a mentor to the consumer during the complex mortgage origination process as they are knowledgeable of current industry rates and terms. A mortgage broker is recognized as an independent real estate financing professional that specializes in the origination of residential and/or commercial mortgages. Mortgage Brokers are business people who own and operate companies, or work for a brokerage firm, which are typically small and community based.

Why should consumers use a mortgage broker? Advantages of using a mortgage broker during the home buying process include:

- Mortgage brokers provide a critical link between the consumer and the credit markets,
- In assisting consumers, mortgage brokers find the loan program that best fits the consumer's individual financial goals and circumstances,
- They bring much needed capacity and competition to the mortgage market by providing a broad range of products to the consumer. The typical broker offers a multitude of mortgage programs.
- Mortgage brokers offer an unprecedented reach as they operate in big cities and small, urban cores and the suburbs, farms and rural areas,
- They are experts in analyzing, advising, structuring, underwriting, packaging, presenting and negotiating loan proposals with a vast network of financing sources
- Mortgage brokers work with all types of credit and income parameters, even for individuals who cannot obtain financing through traditional channels. This allows low-to-moderate-income borrowers with less than perfect credit histories to enjoy the benefits of homeownership.

The mortgage broker industry plays a significant role in the mortgage lending process and the American economy by increasing competition and driving down costs. On a national level, mortgage brokers originate 66% of home loans, more than any other single loan source.

"Purchasing a home is likely the largest financial transaction a consumer will ever make, and it is imperative that each person works with an experienced professional in order to provide the optimal level of choice for each individual circumstance," said NAMB Past President Bob Armbruster.