

# Mortgage Rates: Shopping for Rates on the Internet

The Internet is a great tool for all of us when we want a preliminary education, pretty much on any subject. I know I often start with a quick search for great restaurant reviews and vacation specials. We all love a great deal, right?

Be aware, however, not to limit your home mortgage research by simply being an online rate shopper. There are many reasons why. For example, focusing only on an interest rate when 'shopping' online may lead to one or all of the following:

- The rate may be misleading.
- The rate may include a quote that does not include the 'points' charged in the loan.
- The rate quoted may be fixed only for a set number of years (even when the quote states a 30-year term, the loan maybe be fixed for a shorter period).

Clients and consumers in general lose the big picture regarding the appropriateness of a loan when they focus only on the lowest quoted loan rate. That can lead to a loan that costs more money in the long run.

My team and I never simply quote a great rate - the right mortgage ensures that all the best options have been considered for you and your household, for your long-term financial well being.

## A few questions to consider:

- Will you live in the property?
- How long do you intend to live in the property, or to own the property, if an investment?
- What is the rate environment?
- Is it likely that you may be refinancing the loan within five years, even though you may live there for longer than five years?
- Will your FICO score, or your loan-to-value, or your type of loan, impact the true final interest rate of the loan?
- What types of loan programs are available for your individual situation?
- Are you an active or retired member of the military?
- Have you ever invested in the CalPERS or CalSTRS retirement systems?

Remember that the lowest rate does not always reflect the lowest **overall cost of a loan** - which is what you truly are looking for. You want to focus on the overall cost of the loan and total interest over the time of the loan.

A mortgage professional that has experience and expertise to help you weed through the options and help you make the right financial decision for your needs is ideal to help you when you are considering the best loan for your long-term financial picture.

One of the best ways to find this type of high-level loan professional is to ask a Realtor you trust, your accountant, a co-worker or your financial planner.

Preparing for homeownership is a process. For your financial health, and the financial well-being of your entire household, take the time to understand all the terms of a loan.

We always encourage our clients to ask questions and to educate themselves. Here is a useful tool that may help as well.

[http://www.hlcteam.com/rate\\_trends.html](http://www.hlcteam.com/rate_trends.html)

**Give us a call; we are here to help you.**



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