

CULTURE MORTGAGE

How do I find out who are direct lenders and who are mortgage brokers?

There are many more categories of mortgage lender out there than just direct lender and mortgage broker, which should be noted. Direct lenders and mortgage brokers, represent two specific parts of the industry namely retail and wholesale (**direct lenders** offering retail rates while **brokers** offer wholesale rates). Regardless other facets remain that must be noted. Correspondent lenders, Savings and Loans, and Credit Unions are some of the other lending institution models, which perform slightly differently than direct lenders and brokers. The easiest way to discover how a lending institution is operating is to get a copy of their licensing. Brokers hold state licenses which can be looked up in the Department of Real Estate (DRE). These other types of lending institutions use CFL licensing to stay in compliance. CFL licensing is issued by the Department of Corporations (DOC) and does not require experience or exams to obtain.

Who or what type of lender you use to take out a loan is not important as long as the terms offered and secured are competitive with the market place. **Portfolio lenders** for example (savings and loans and credit unions) write their own guidelines and can be an excellent source of financing for quirky local situations, while brokers typically offer the most options.

Ask your lender how they do business, are they a broker, direct lender, correspondent, etc? Get their licensing info, and find out if the person you will be working with is licensed to practice real estate, or has any state certifications - you will find that most people are not. Look up all licensing information provided at the issuing institution to make sure there are no complaints filed against the company you are working with. Honest lenders are open about their history and licensing. If you get roundabout answers, it could be a sign. Never be afraid to walk away and use someone else.

1615 DICKEY ST. FALLBROOK CA 92028

831.325.6959 PHONE 866.321.5467 FAX

WWW.CULTUREMORTGAGE.COM

DRE LICENSE #01792241 NMLS LICENSE #523235

