


MORTGAGE



PRE-QUALIFICATION vs. PREAPPROVAL

Know the difference between these commonly confused mortgage terms.

PRE-QUALIFICATION

- Estimates how much house you can afford
- A first step so you can start house hunting
- A ballpark figure based on provided info
- No obligation on the part of the lender
- Often done online or by phone in one day
- Usually free for homebuyers to obtain
- Based on self-reported income
- May look at your basic banking info
- Involves a soft pull of your credit, or no check
- No tax information required
- Won't tell you what your interest rate will be

WHAT DO I NEED?



- ✓ Monthly income
- ✓ Monthly debt payments
- ✓ Estimated bank account balances
- ✓ Credit score (if you have it)
- ✓ Your down payment amount
- ✓ Your desired home price

PREAPPROVAL*

- Confirms your ability to secure a mortgage
- A next step so you can make a strong offer
- A specific amount based on document review
- A conditional commitment to grant a loan
- May take several days to get an official letter
- May or may not incur an application fee
- Based on verified income and job status
- Verifies all your assets and liabilities
- Involves a hard pull on your full credit history
- Tax documents required
- May allow you to lock in a specified rate

WHAT DO I NEED?



- ✓ Government issued ID
- ✓ 2 years of W-2s and/or 1099s
- ✓ 2 years of tax returns
- ✓ 30 days of paystubs and employment info
- ✓ 2 months of bank/retirement account statements
- ✓ Credit card and loan statements
- ✓ Proof of paid rent/landlord info
- ✓ Support /alimony orders
- ✓ Your down payment amount
- ✓ Your desired home price

Consult your trusted financial partner to discuss your options.

Getting a pre-qualification or preapproval before you start house hunting is a wise way to know what you can afford.

*ENB does not offer preapproval at this time.