

# The importance of a mortgage pre-approval

## ***Show sellers you can afford your purchase***

Keep this in mind! You pay your mortgage over and over. You pay for your new home only once at the notary. The mortgage is as important to negotiate as is the price on your new home! Shop around for your financing!

For some reason buyers think purchasing a property is a two-step process: finding the right house and negotiating the transaction. It is really a three-part process, the mortgage pre-approval is a key component. After a Promise to Purchase is signed conditions need to be satisfied, time is of the essence, and the clock is ticking. This is not a good time for you as a buyer to be just starting the process of selecting a lender and a loan. After an offer is accepted buyers often feel a bit overwhelmed and may not make the best decision possible regarding their mortgage.

The recommendation is simple. Learn about mortgages before you begin looking for your home. Pick a lender and a mortgage when you are clear-headed and under none of the additional stress that a signed sales contract could represent. A buyer who is pre-approved is showing sellers that they can indeed afford to purchase their home and showing their real estate broker that they are indeed motivated to make a purchase. In today's market if a buyer can't or will not go through the process of being approved many sellers will react negatively to their offer.

The delay to obtain final mortgage approval after an offer is accepted usually takes 10 to 12 days and sellers are often reluctant to tie up their home for that period if the buyer is not pre-approved at the bank. On the other side of the coin, if financing is not a problem for you but you haven't been to the bank yet, when your offer is presented you may lose the home you want to another offer from a pre-approved buyer. Now wouldn't that be a shame!

When you put in an offer on a home, being pre-approved can make a huge difference. You'll know what you can afford and so will the sellers!



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