PRE APPROVED VS. PRE QUALIFIED

Get the Facts

Contrary to popular belief, to be prequalified for a home loan and becoming preapproved are not the same thing.

UNDERSTANDING THE DIFFERENCE

A prequalification will provide a borrower with a good idea of how much house they can afford. That number is determined by a simple calculation using basic information such as monthly income and monthly debt, often verbally provided by the borrower to the lender. It takes no time at all to calculate and with nothing verified, a prequalification is truly a simple estimate.

A preapproval is achieved after a more thorough analysis. It will require the lender to review the verbally provided borrower debt and income information, along with the factual information obtained from a credit report. With a preapproval letter in hand, a borrower can be more confident when home shopping that they know exactly how much they should be able to finance.

Before you begin working with a lender, find out if they provide a prequalification or a preapproval. Because a prequalification is a quick estimate, borrowers with a preapproval letter may receive more favorable consideration when sellers are comparing offers from multiple home buyers.

	PREAPPROVAL	PREQUALIFICATION
Credit report required	x	
Credit report not required		x
Provides the most accurate home affordability estimate	x	
Provides the less accurate home affordability estimate		x

For more information on how SWBC Mortgage Corporation can help you on your path to homeownership, visit us at **www.swbcmortgage.com** or call us at **1.800.460.6990**.

EQUAL HOUSING LENDER

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