

PRE-QUALIFICATION VS PRE-APPROVAL

A mortgage pre-approval letter estimates the loan amount, term, and type of loan a borrower may be eligible for to buy a house.

To issue a pre-approval, a lender will verify a buyer's credit score, debt-to-income, and other financial documents. A pre-qualification is based on the information a borrower provides a lender.

PRE-QUALIFICATION

- Buyers **self-report** their debt, income, and asset information
- Mortgage lenders will solely rely on the self-reported information to provide an estimate on how much money can be borrowed
- Financial documents are **not verified**

PRE-APPROVAL

- Borrowers apply for a **pre-approval**
- Mortgage lenders will verify the following:
 - INCOME
 - ASSETS
 - DEBT-TO-INCOME RATIO (DTI)
 - CREDIT SCORE
- Borrowers will receive an **estimate loan amount, type, and loan terms** for the potential housing loan
- Seller's have more confidence in a Pre-Approval letter putting buyers ahead of the pack



A 5-STAR Certified Pre-Approval with Hall Financial is as good as gold. We are the mortgage company that realtors trust and buyers love!