



The Mortgage Broker Secrets - DLC

Who are mortgage brokers and who do they work for? This question is one you will hear a lot about these days here in Canada. Mortgage brokers are not a new phenomenon in Canada, but they are less well known here than they are in places like the United States, where they account for over half of the mortgage loan deals transacted each day. Here in Canada approximately 30% of the mortgages each day originate through mortgage brokers; in the United States that number is nearer to 60%.

In the past, it was only those who had poor credit ratings who sought the help of a mortgage broker to obtain a home loan. The mortgage broker had many connections in the financial world and was able to connect bad credit buyers with those willing to lend their money with more risk yet at a higher interest rate. The mortgage broker set up the deal and was paid a nice fee for their time. The borrower got a mortgage on a home, and the lender made a nice rate of return for the risk.

The mortgage broker of today works with borrowers of all credit types and specializes in being able to find a mortgage of any size and type on any given day. Financial institutions pay mortgage brokers a “finder’s fee” to bring them clients. They get paid for those with good credit as well as those with less than stellar credit ratings. They make more money with some lenders than others, but generally are looking out for the best interests of their clients.

Mortgage brokers also serve to educate the public on the various types of mortgages available, how to understand what all the paperwork means, how to decide between mortgage options, and so much more. They can connect you to a lender and they can also help you to navigate through the steps the lender requires of you as well. It is like having an advocate on your side during the lending process.

Long ago, if you wanted a mortgage you went to your local banks and applied for them. You worked with the bank and gave them all of the required paperwork, and in the end they made a decision on whether or not they wanted to lend to you and told you at what interest rate. With the technology and global economy of today, this strategy just doesn’t work any more. You are much better off going through a mortgage broker and letting them sift through their hundreds of lenders to find you the best deal available. Because they have a huge variety of lenders to choose from, you can be assured that you will get the best deal available to you. You also have the option of going online on the Internet and seeing what kind of rates are available to you there. You can compare rates with your mortgage broker and make sure that they are in fact getting you a good deal.

Mortgage brokers build their business through learning where they can get you the best rates and deals out there. They also build their business through personalized service and education to their clients, which larger banks are just simply unable to provide. By providing you with “one stop shopping” a mortgage broker can get you a good deal and educate you along the way.

Successful mortgage brokers generally work with a handful of lenders. They send a lot of borrowers to these same lenders and in exchange the lenders give the mortgage broker a discounted rate for their clients. It is a win-win situation for both the mortgage broker as well as the lender. The mortgage broker becomes known for his ability to secure the lowest rate for his clients, and the lender is assured of repeat business from the mortgage broker’s other clients. The more business they transact together, the better rate the client sees. This is great for you as the buyer.

While mortgage brokers are better known for the work they do in the United States, the prevailing trend is that more and more mortgage brokers will be working in Canada over the next few years. They offer the best service and availability for both borrowers and lenders alike. They work independently and save the lenders a ton of money by simply being able to pay a finder’s fee, rather than having to employ brokers themselves. If you are looking for a mortgage, you should always contact a few mortgage brokers and see what kind of deals they can offer you – you might be pleasantly surprised at the results.

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