

I Found a Cheaper Rate Online!

Shortly after I started in mortgages (2006) I once had a fellow call and ask me what I did as a mortgage broker? He then suggested “don’t you just take the information, check credit, go to lenders and see if you can get the best deal?”. I can’t remember how I responded but I remember him saying “well, why couldn’t I just do that?”, and then he hung up.



What about rates? Just do a quick online search and you’ll see some great rates that many brokers won’t be able to match.

The reality is, that mortgage brokering is quite difficult. Sometimes it seems like there is no end to the learning. There constantly seems to be better ways of serving our customers. **So, how can something so complex come down to just rate?** The reality is, that it can’t.



I am convinced that **a broker’s most important job is selecting the right lender.** Sometimes an “A” lender is best, other times it might be a “B” or Private lender. And, of course, each lender is different. Some borrowers are a good fit with a monoline lender, others with a balance sheet lender. If you chose a lender just based on rate, how do you know if it is with a lender that is most likely to approve your file? If you can’t get approved, it doesn’t matter what rate they were offering.



And, being approved isn’t everything. I have heard my fair share of sad mortgage stories. Unfortunately these stories are not isolated events. There are borrowers whose lenders won’t renew the mortgage and leave them terrified of being foreclosed on. Then there are borrowers that take the low rate mortgage (or the wrong term) and when they want to pay it out early they learn that they are facing a big penalty.



Ultimately, **lenders have to remain competative to stay in business** and if you find that your rate is a little higher than what you find online, you might find that your mortgage has a few perks that the cheaper-rate options didn’t have. Just like insurance, no one wants to pay the premiums but their glad they did when they needed it.

When in doubt, ask your broker. It’s okay to tell them that you saw cheaper rates online and that you’re curious.



About the Author Trevor Hickey is a Mortgage Associate with Concord Mortgage Group Ltd. and has been a licenced Associate since June 12, 2006. He has brokered many transactions with A, B and C lenders and also brokers commercial and agricultural mortgages.