# **2020’s Best Mortgage Lenders**

# Finance your dream home with the most reliable mortgage lenders in the country

**FEDRATEWATCH**

**Pros**

* Convenient and lightning-quick comparison tool
* A comprehensive online avenue
* Free service with no upfront fees
* provides a variety of loan products: FHA, VA, fixed-rate, and refinancing loans
* A Vast and Reliable Network of lenders

**Cons**

* Not a direct lender
* No live customer service availability

**AmeriSave Mortgage Corporation**

**Pros**

* No the tedious process of filling pages and pages of personal information.
* An easy 3-minute application process
* Offers 500$ if you find better rates on the market within three calendar days
* Cordial and knowledgeable underwriting assistants and loan officers
* Quick and easy preapproval procedure

**Cons**

* Nonrefundable application fee
* No physical branch locations
* No HELOC or home equity loans

**Refi Rate Guide**

**Pros**

* An extensive network of trusted lenders
* An easy online application process
* Provides answers to queries in seconds

**Cons**

* Not a direct lender
* Limited information on the website

**VA Rate Guide Review**

**Pros**

* Loans tailored for veterans
* Competitive rates
* No restrictions on credit scores
* Discounts for past services

**Cons**

* Limited customer service
* Not a direct lender
* Delayed customer discount information

**Home Equity Quiz Review**

**Pros**

* Convenient and easy to navigate questionnaire
* an extensive database of 200 lenders
* Best for current and former military personnel
* A host of loan products: FHA, VA, ARM variable and fixed rate
* A comprehensive set of borrower questions

**Cons**

* No information on loan fees
* Not always successful in matching you with a lender
* Limited FAQs for guidance

You deserve the best home and the best mortgage lender. The kind you can trust with your assets and interests 100% without a second thought. But then again, trust is something hard to come by these days. But don’t worry. We’ve made the job easy for you by listing the main factors you can pinpoint to land the lender of your dreams.

### **Before Finding A Mortgage Lender, Remember…**

A mortgage lender might ask you for proof of income and certain other expenditures and whether or not you have any debts (pending or otherwise). Basically, lenders require proof that you will be able to keep up repayments if interest rates rise. If lenders conclude you’re not able to keep up with these upticks, they will flat-out refuse to offer the mortgage.

### **Where to Get a Mortgage**

A bank can be chosen directly to apply for a mortgage. But you can also use a mortgage broker or independent financial adviser (IFA) who can compare different mortgages on the market for you and come up with the most suitable lender. Brokers are not lenders themselves; they're middlemen who tend to know reputable lenders. An added benefit of choosing a mortgage lender via a broker, the inside person, is that the broker can also compare mortgages that are not offered to customers directly.

### **Comparing a Mortgage**

There are some comparison websites out there that might be a good starting point for anyone looking for a mortgage designed for their needs. Some of them are:

* Moneyfacts
* Money-Saving Expert
* MoneySuperMarket

### **Types of Mortgage Payment Plans**

Before deciding on mortgage type and related lender type, you need to decide upon how you’re going to pay back the capital and interest. So, payment plans are the broader category leading to other types of mortgages.

**Repayment mortgage**

You pay the interest and part of the capital off every month. After having repaid everything (a term of 25 years, mostly), you are on your way to owning your home in your name.

**Interest-only mortgage**

In this mortgage, you pay only the interest on the loan; nothing off the capital. This type of mortgage is harder to come by today. Lenders worry homeowners will be left with a huge debt without a realistic way of repaying it. Furthermore, you need another plan to repay the original loan at the end of the mortgage term (25 years or so).

With the help of your mortgage lender, you can also combine both options and split your mortgage loan between the two types.

### **Types of Mortgage Rates**

There are two main types of mortgage rates: fixed and variable. With the former, as the name implies, your repayments are the same for a certain period; generally 2-5 years, regardless of how interest rates are doing in the market. And with the latter, the rate you pay could move up or down, per base rate in the market.

### **Types of Mortgage**

Simply selecting a mortgage payment plan and/or a mortgage rate does not cut it. These are just the broader categories. They branch off to individual types of mortgages. You should be knowing them to soundly decide which mortgage lender to go for in the end. Some common types are:

**Conventional Home Loans**

The most common form. It’s based on two parties: the borrower (you) and a lender. Your lender will require you to make at least a 20% down payment to get a conventional mortgage.

**FHA Loans**

A government-backed loan administered by the Federal Housing Administration. It’s generally aimed at buyers with a lack of funds on a 20% down payment.

**VA Loans**

Another government-backed loan administered by the Department of Veteran Affairs. As the name suggests, it’s mostly aimed at veterans who served at least 90 uninterrupted days of active service in wartime or 181 days of active service in peacetime; members of National Guard and Reserve who served at least 6 years; and spouses of veterans who died in the line of duty. Perks of VA loans? No down payment in the case of most lenders.

### **Types of Lenders**

Still unable to narrow down your search? Knowing the different types of lenders might help. It can save you money, time, and effort. Remember, though, that some of these categories might overlap.

**Retail Lenders**

They provide mortgages directly to consumers, not to institutions. Banks, credit unions, and mortgage bankers are common retail lenders. Furthermore, they offer other products, such as checking/savings accounts, personal and auto loans.

**Direct Lenders**

They create their own loans. These lenders either use their own funds or borrow from elsewhere. Mortgage banks and portfolio lenders are common examples. What distinguishes a direct lender from a retail bank lender is specialization in mortgages.

**Portfolio Lenders**

They fund borrowers’ loans with their own money. As such, they aren’t obliged to fulfill the demands of outside investors. Portfolio lenders set their own borrowing guidelines and terms.

**Wholesale Lenders**

These are financial institutions offering loans through third parties, such as mortgage brokers, other banks, or credit unions. They don’t work directly with consumers, rather invent, fund, and service loans.

**Correspondent Lenders**

These are the initial lenders making and issuing the loan. Typically, though, correspondent lenders sell mortgages to investors (also called sponsors) who re-sell them to investors on the secondary mortgage market.

**Warehouse Lenders**

They help other mortgage lenders fund their own loans by providing temporary funding. Like correspondent lenders, these lenders don’t interact with consumers.

**Hard Money Lenders**

If you can’t work with the other types and/or are moving between homes, this is the last resort. These lenders are mostly private companies/individuals with noteworthy cash reserves. Hard money loans usually must be repaid in a few years, have a hefty interest rate and fee, and can lead to your home being seized if you fail to repay.

### **What a Mortgage Lender Can and Can’t Do For You**

At this point, you’d generally be aware of what mortgage lenders have to offer. How they can help you. The ways they can make the whole process of mortgaging go smoothly.

However, there are some things even a mortgage lender cannot do for you. But this is ONLY when you’ve opted for ‘execution-only mortgage.’ Getting a mortgage without prior financial advice is called an execution-only mortgage. To continue with this, you should know the:

Desired type of mortgage and property you want to buy.

Time for which you’d like to borrow.

Type of mortgage rate you want to borrow at.

Since lenders are there to help you with the whole business, they will, under this circumstance, write to confirm if you haven’t received any prior advice; they will also mention how the mortgage hasn’t been assessed to evaluate its suitability for you. In case of a mortgage turning out unsuitable for you in the future, a lender might not be able to take up your complaint if you don’t make a timely inquiry.

Having a mortgage lender even in the case of an execution-only mortgage by your side is still better than having none. Because when things start to look not so good for you in terms of the mortgage, a lender might still be able to carry out detailed affordability checks. These are checks of your finances. They assess your ability to continue to make repayments in special circumstances.

So, much like every other type of mortgage, execution-only mortgages are also protected if you have a mortgage lender. All the more reason to find one!

### **Top Mortgage Lenders and Connectors**

Can’t decide which lender to select from the list above? Here are some of the top mortgage lenders we think will be best suited for you:

**FEDRATEWATCH**

Getting your hands on your first-time mortgage or mortgage refinance loans is an uphill task. However, companies like FEDRATEWATCH make this search as easy as ABC for you. FED RATE watch is a free tool, which cuts several intermediary steps, such as comparison shopping, and connecting you with lenders best-suited for your needs.

**Pros**

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* A Vast and Reliable Network of lenders

**Cons**

* Not a direct lender
* No live customer service availability

**AmeriSave Mortgage Corporation**

In business since 2002, AmeriSave has expanded to provide its services in 49 US states and holds the unique accomplishment of financing 228,000 homes, and providing $52 billion in loans.

**Pros**

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* An easy 3-minute application process
* Offers 500$ if you find better rates on the market within three calendar days
* Cordial and knowledgeable underwriting assistants and loan officers
* Quick and easy preapproval procedure

**Cons**

* Nonrefundable application fee
* No physical branch locations
* No HELOC or home equity loans

**Refi Rate Guide**

Refi Rate Guide provides a fast and convenient platform to find suitable lenders. It lists a summary of financial institutions depending on your financial profile and links you to the ones most suited to your financial situation. Whether you’re in the market for a new mortgage or refinancing options, Refi Rate Guide boasts a network of trusted lenders to help you out.

**Pros**

* An extensive network of trusted lenders
* An easy online application process
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**Cons**

* Not a direct lender
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**VA Rate Guide Review**

In service and retired military personnel can benefit from VA RATE GUIDE Review’s special VA rates. VA Rate guide is an online marketplace linking veterans with the best mortgage lenders in the country so they can easily buy or refinance their homes. All they have to do is go through an easy application process.

**Pros**

* Loans tailored for veterans
* Competitive rates
* No restrictions on credit scores
* Discounts for past services

**Cons**

* Limited customer service
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* Delayed customer discount information

**Home Equity Quiz Review**

Home Equity Quiz boasts hundreds of partners ready to help you find the best options for mortgaging and refinancing your home. It’s also renowned for providing a comprehensive and convenient questioner to help you better understand the nuances of your financial situation before you can jump into the lending process.

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**To Conclude…**

Finding the right mortgage and lender is quite daunting. Research and educate yourself. Compare mortgage terms, rates, and products with some lenders. Organize your required documentation. And be prepared to face any challenges regarding credit so lenders/brokers offer you the most suitable products.