

# Mortgage Brokers & Real Estate Agents

Most brokers and realtors care about their clients, but many people don't understand that they actually get compensated based on a percentage of what you buy. Their job is to show you how much you can afford, how much banks can lend to you, and sometimes they push the number as far as possible. Your job is to make a good decision based on that information. Whether or not their professional careers and ideals began this way, the unscrupulous ones want you to buy the most expensive house possible because they'll make the most money.

In the same way that many people use their doctor's advice or remarks as absolute, mortgage brokers' advice can become financial gospel to clients who want what's recommended. ("The doctor said I'll live for years" versus "If you continue to eat well and exercise like you've been doing this month, the heart test indicates that you'll live for years yet.") Over the years, I have heard this many, many times: "my mortgage broker told me that I could afford a \$260,000 house". The mortgage broker was probably saying, "this is the maximum amount that you qualify for."

In the almost unlimited boom between 2005 to 2007, I saw brokers telling my clients horrible things. Knowing their history, I'd often counteract the advice: "Yes, your last 6 months in business has been great, but remember your struggles over the last 3 years?" Clients would come back with, "my mortgage broker told me they're sure I can do this".

Hire someone who's been doing this for a while. They'll make the same amount of money as someone new, and they'll bring more value to the table from all their experience of the up-and-down cycles. In their career, they've made mistakes and done things right. The difference between a professional, and a hobbyist who does this for extra money, is full life investment. A career professional treats a client relationship like something that will last, instead of a part-time, take-it-or-leave-it job. A lot of knowledge is required for negotiating a quality offer on a home. Short-term savings on someone who without 5 to 7 years' experience, who doesn't know how to get the best deal, will hurt in an investment that should last you between 15 to 30 years. Again, the same as with a financial professional, hire someone who treats you like a fellow adult, who takes the time to explain what they're doing on your behalf. If something goes wrong at any stage of the purchase level, you need someone responsive, who will be there to handle that issue. In these cases, 'doing it by yourself and have an attorney review the documents' doesn't really work.

I'm going to find the best rate possible and work with you to find the right amount to borrow.



**MORTGAGE BROKER RESUME**

5-10 years experience

Licensed (differs by state) and preferably additional certification (CMC, CRMS)

Excellent references

Answers all of your questions (about a loan you'll live with for the next 30 years)

Well connected with other professionals you'll need during the process

I'm going to find the biggest loan possible for you because the bigger your loan, the bigger my commission.



**REAL ESTATE AGENT RESUME**

5-10 years experience

Licensed Realtor®

Specializes in the neighborhood your buying/selling in

Well connected with other professionals you'll need during the sale

I'm going to close your deal as fast as possible because I need my commission check next month.



I'll know the housing market, craft the right offer and see the sale through to the end.

