

Title:

Different Types of Lenders

Word Count:

423

Summary:

According to Carrier Reeder, debt adviser: The most important type of loan is home loan and as in other cases the choice of lenders are immense.

Keywords:

loans, mortgages, finance, credit cards

Article Body:

According to Carrier Reeder, debt adviser: The most important type of loan is home loan and as in other cases the choice of lenders are immense. She analyses the various types of loans available and the options offered by them. The various types of lenders are a. Mortgage Banker, b. Mortgage broker c. Credit Unions, d. Savings and Loans and e. Government Loans.

According to Reeder, in case of Mortgage Banker one person is responsible for the borrower from beginning to end, who guides through the various process of loan facilities, the various offers, choosing the loans which best suits one, the time period etc he also follows on the repayment factors, interest involved and till the end when the loan is all paid up. A Mortgage Broker on the other hand is engaged when there is not a good credit history for a borrower, he acts as a mediator between the bank and the borrower and gets the entire process done. A Credit Union is present in many of the associations or groups, in case the borrower belongs to such association then he/she can check out the various loan facilities offered by them. The best bet for a borrower is the local savings and loans groups. Government does not themselves offer loans but back some of the loans already in offering.

According to Kevin Stith, a debt adviser, financial institutions, banks and private lenders offer loans or mortgages. The reason to approach a private lender is when the borrower has a bad credit rating. The private lenders ask for security for the loans advanced by them. The security is usually in the form of property or house. The private lender here takes a risk by lending loan to someone who has a bad credit rating, hence to reduce his risk he asks for a higher fees and property as security.

The difference between applying for a loan online and through a broker is that

the rates of interest are fixed in case of a online loan facility and in case of a broker the rate of interest can be negotiated and various facilities which suit the borrower can be offered by the broker. It is said that in case of a mortgage broker, if a business deal is fixed and the lender seems to gain advantage then he may offer may facilities to the borrower. Also according to Stith the market is full of borrowers and hence shopping around for one who offers better deal is definitely advantageous to the borrower.