

Title:

How Do I Choose A Lender?

Word Count:

485

Summary:

The growing demand for various types loan has led to the increase in the population of lenders in the country. Other than Banks and forms of financial institutions there are private lenders and mortgage brokers.

Keywords:

loans, mortgages, finance, credit cards

Article Body:

The growing demand for various types loan has led to the increase in the population of lenders in the country. Other than Banks and forms of financial institutions there are private lenders and mortgage brokers. What are the guidelines that a borrower should follow while choosing a lender? The choice of a lender must be such that the borrower gets the best deal while not being cheated. Other than the various acts and rules that the Government has imposed along with the respective state laws, there are certain methods by which a borrower chooses his lender.

The guidelines to be followed are a. License: The lender must have a license recognized by the Government to lend, without the license he cannot commercially lend. The license must be issued by the state and he cannot obtain license in one state and lend in another, this is against law. b. Reputation: The lender must have a good reputation wherein the earlier clients can give recommendation to the client as being honest and one who provides good rates. This reputation can only achieved through word of mouth. c. The lender must be honest, he must not cheat the borrower and must put forth all the available options and its pros and cons while choosing them. d. The lender must be transparent while dealing with any of his clients; he must not have hidden claims and hidden costs while processing one loan. He must put forth all the laws and abide by the same. f. All the information given by the borrower must be stored in a encrypted form and this is a norm being followed everywhere. The encrypted form is required because the borrowers information can be kept confidential and is not exposed to others. G. The lender must keep all the financial and personal information of the borrower strictly confidential any steps taken by the lender to breach the same is an offence and can be sentenced for the same. h. The lenders and the borrower

must have written agreement wherein the property or the valuable that is kept as mortgage is mentioned. The various terms and conditions while offering the loan must be clearly and honestly written in the agreement. The rates of interest and the principle offered by the lender must also be mentioned. These various guidelines are required to protect the interest of both the lender and the borrower.

It is a great offence if the lender does not provide the authorizing organization the terms and conditions put forth by him while providing loans, in the similar manner the interest rate charged and the securities he accepts while advancing loans must be mentioned. It is also a great offence if the lender discloses any information of the borrower, which is not public. Thus the various acts, rules and the above given guidelines when followed protects the interest of both the lender and the borrower.