



# MONEY MATTERS

## Mortgage Brokers Save You Money

*A new report indicates that there is a price benefit to using brokers.*

*By Jacob Yadegar*

A recent study reveals that consumers pay lower annual percentage rates with mortgage brokers rather than mortgage lenders. The report says that brokers' customers have a lower APR, on average, than bank customers and customers who obtain their loans through direct lenders.

The study was conducted by a consortium of professors from Georgetown University credit research center, George Washington University and Oklahoma State University.

"We have always believed that the customer who works with mortgage brokers receives some of the most favorable terms possible for mortgages," said NAMB President Bob Armbruster.

While working with a big bank seems like the "safer" option, it is not. For the most part, big banks offer higher APRs without personalized care. While most consumers feel like they are getting the best financing terms by going to big banks and/or direct lenders, the actual cost of credit is higher because lenders only offer the products which are in the best interest of the lender. On the other hand, mortgage brokers are able to comparison shop the borrower's loan application to insure that the consumer is getting the best available terms for their specific needs.

Additionally, most mortgage brokers know their customers on a first-name basis and spend the time required to get very ac-

quainted with the specific needs of the client and as this extensive study has shown, help their clients keep their money in their pocket-books. Another clear advantage in using a mortgage broker is the access to many more loan products. A sophisticated mortgage broker should have access to over a dozen or more lenders and will know which lender is most suitable for your needs and is offering the most competitive pricing at any given time.

Other report results indicate that mortgage brokers due to their smaller size and efficiency are able to deliver products at lower costs because their profit requirements are lower than those of lenders and the hypothesis shows that through competition, brokers tend to pass their origination cost advantages to the consumer.

While there have been many cases of financial wrong doing by both mortgage brokers and direct lenders, its important to know who you are dealing with and to make sure that the Mortgage broker that is representing you has your interests in mind when arranging your loan.

For a copy of the full report contact myofficedirectlyat(310)571-3672, jyadegar@empyreanfunding.com or you can stop by the Brentwood Gardens, 11677 San Vicente, #206.

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