8 Mistakes Borrowers in Colorado Make

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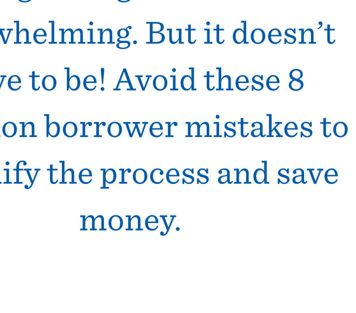
Whether you're refinancing, applying for a mortgage, or looking to borrow money, finding the right loan can be overwhelming. But it doesn't have to be! Avoid these 8 common borrower mistakes to simplify the process and save money.

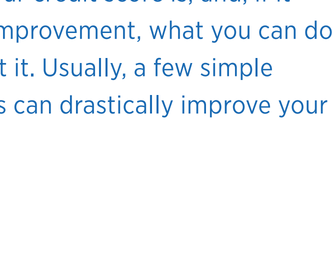


1. Don't chase the rate

A low APR or interest rate can be tempting, but it doesn't always mean you're getting the best deal. Look at the big picture—including mortgage insurance and other hidden fees—to figure out what you're really paying.

2. Don't neglect your credit score

Who knew three numbers could be so intimidating? Make sure you know what your credit score is, and, if it needs improvement, what you can do to boost it. Usually, a few simple changes can drastically improve your credit.

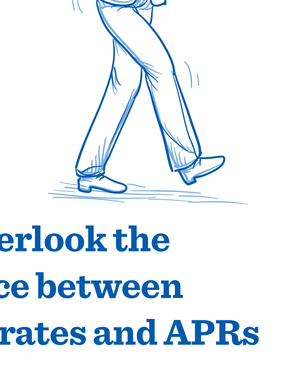


3. Don't choose the wrong loan product

Different loan products have different advantages and disadvantages, and not every product will work well for every borrower. For example, FHA (Federal Housing Association) loans are popular because they often have low down payment requirements and low interest rates. However, FHA loans require mortgage insurance, which can bump up your monthly payment significantly. Understanding all of your options can help you get the most out of your money.

4. Don't ignore upfront fees and closing costs

Make sure you keep track of how much you're paying in upfront fees and closing costs throughout the borrowing process. A low interest rate might not actually save you money if you end up paying thousands in other fees.



5. Don't overlook the difference between interest rates and APRs

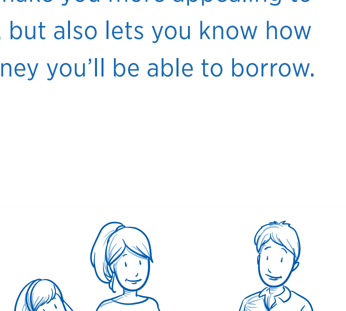
An interest rate represents how much you will pay each year to borrow the money, while an APR (annual percentage rate) tells you how much you'll pay with other fees and charges included. Make sure you consider both rates to get a good picture of how much you'll be spending.

6. Don't forget the benefit of consulting a trusted advisor

It's important to select a mortgage payment plan that fits your loan, budget, and financial circumstances, and to make sure you know it inside and out. Walk through your payment options with someone you trust. They'll be able to help you choose the right plan.

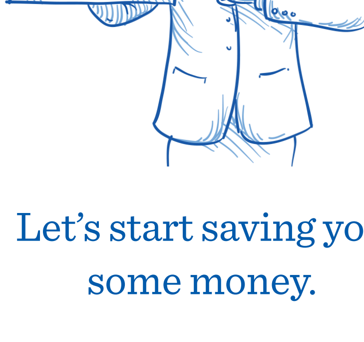
7. Don't forget to get pre-approved

Getting mortgage pre-approval—a process in which a lender verifies your financial, credit, and employment information and approves you for a loan based on your ability to pay—can not only make you more appealing to the seller, but also lets you know how much money you'll be able to borrow.



8. Don't fit yourself into a plan. Find a plan that fits you.

Every borrower is different, and not every loan is one-size-fits-all. Find a loan that meets your budget and borrowing needs, not your neighbor's.



Let's start saving you some money.

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