

Common Mortgage Origination Complaints and How to Navigate Them

In order to get to your goal and navigate the financing process, there are common complaints from borrowers about lenders which point to obstacles to overcome. Every borrower is unique, so complaints vary. Different studies can show different results as to which is most important and why. Rather than try to rank the issues, let's review some of the main ones and the causes. We want to eliminate the stress in the loan process as best we can and that takes planning. As we cover the concerns, we will also outline where in this book this is covered. Don't worry if you aren't familiar with all the terms mentioned in these complaints as we will cover them in detail.

Complaint #1. The loan won't close on time – it's taking too long.

There are many requirements a lender must complete to comply with federal law and to make a loan a "Qualifying Mortgage" or otherwise comply with all the restrictions for a specific loan program. The borrower must be ready to provide complete paperwork and documents as soon as possible and have a definite goal and loan in mind. Granted, some lenders at times are overwhelmed or understaffed. **Read Chapter: Understanding the Loan Process Milestones.**

There are a number of steps in the loan process. These are covered in detail in [Winning Mortgage, Winning Home](#). In many of these steps, the responsibility falls on the borrower and the borrowers create their own obstacles and delays. [WMWH](#) shows when vigilance by the borrower makes a difference.

Complaint #2. The fees and costs at closing are higher than I agreed to.

There are times where fees and costs change, especially if the type of loan being applied for changes (conventional compared to FHA for example). The Lender will fix a number of costs at the initial disclosure (Loan Estimate). Will these be the same at closing? Many borrowers surprise the lender during the loan process and then get surprised by the effect on the loan closing costs. Which costs did the lender estimate and which can be the biggest surprise and which costs aren't on the disclosure and the borrower needs to provide to the lender? **Read Chapter: Loan Pricing - Loan Costs and Rates**

Loan fees and costs can challenge any mortgage borrower. Escrows add additional demands for cash at closing. Which costs are known and the lender's responsibility? Which costs are the borrower's responsibility to find out? Which costs can change during the loan process and by how much? Some can't change, others can cause a big surprise. [WMWH](#) explains and answers these questions.

Complaint #3. The interest rate is too high – it's not what was advertised.

Lenders advertise rates which are based on the best customers with the easiest and cleanest loan application, credit, income and debt details. You may be different, and quite likely are. This book covers in detail what goes into the calculation of the loan interest rate according to the most prevalent lending guidelines. To get the best possible rate, we cover Do's and Don'ts- some easy, some harder. There are many factors which impact the payment.

Read Chapter: Loan Level Pricing Adjustments

It's no surprise that the interest rate for a mortgage loan varies by borrower. But why does it and by how much? Would you rather pay \$910/month on a \$200,000 mortgage or \$1,200/month? WMWH explains how to end up at \$910 when many borrowers get quoted the \$1,000 payment and have to take it.

Complaint #4. Why are there many credit inquiries on my credit report?

Borrowers frequently shop around for mortgages with different lenders. Many, probably most, borrowers believe that there is no credit check until a formal, signed application is made to a lender. That's not correct. No lender can provide you with a good indication of your interest rate without a credit report. You are a prospect for a loan and the lender wants your business! Be prepared when talking with a lender. **Read Chapter: Loan Application and Loan Process.**

You can make a mortgage application without meaning to do so or even knowing you did it. No formal application is required. In fact it's the law that lenders must treat your discussion or correspondence as an application in certain circumstances.

Complaint #5. I didn't qualify for the loan. I still had to pay a lot of fees.

Don't apply unless you have completed the preparation in this book and understand whether you are likely to qualify and what the general rate may be for a similar type of DTI, LTV and credit score. That may not be the rate you can obtain for your unique circumstances, but is an indicator to help you make an informed decision. **Read Chapters: Budget, LTV, DTI and Credit Score; Loan Pricing**

Applying for a mortgage loan is a serious undertaking. You may put yourself on the hook for a number of fees and costs without knowing if you can get the loan you need. That can be \$1,000 or \$2,000 or more. WMWH helps add certainty to the loan process and loan level.

Complaint #6. I didn't know what was going on in the loan process.

The loan process has always been not well communicated to borrowers. Some lenders are trying to improve this with automatic notifications and better checklists. Much of the process is entirely dependent on the amount of borrower preparation and response. There will always be times when days pass without hearing any progress. Establish a check-in schedule with your loan officer as well as a document checklist to ensure all documents have been provided. If you don't provide the documents requested, you definitely will not get the loan. **Read Chapter: Loan Process and Loan Milestones**

There are times, like today, where lenders and third parties are too busy to close loans as timely as needed by a borrower. There are also times where the borrowers slow the process by making it harder on themselves. Some borrowers expect to be able to call a loan officer at 11:00 on Sunday night. Become a pro and advocate for yourself properly!

Complaint #7. My rate lock expired; the lender wants \$2,500 to extend it.

Some lenders will advertise quick closings as short as 15 days as a hook to generate business. You might be that borrower after reading Winning Mortgage, Winning Home. But expect the loan process to take 30-45 days or more. There are items the lender must rely on outsiders for. You can keep the process on track. **Read Chapter: Rate Locks**

Rate locks can be a great advantage. Or they can screw you. Know the difference and why. When should you lock a rate, when shouldn't you lock a rate or walk away?

Complaint #8. The lender keeps asking for more paperwork; it's too much!

Don't wait to respond to document requests or argue whether the documents are required. Again, if you don't provide the document requested by the lender, you definitely will not get the loan. Documents will be needed for all of your income, including things you might not have thought of. You also may need to explain more than you thought over items you may not think important. But the lender does. Read more throughout Winning Mortgage, Winning Home!

There are A LOT of documents and copies needed for a mortgage. Winning Mortgage, Winning Home walks you through what you need, when you need it, when you need letters of explanation, and what preparation is required.
