

When it comes to buying a home, having a solid financial position is crucial. Two common types of mortgage approvals that can help buyers strengthen their position are underwritten mortgage approval and regular approval. Let's compare the benefits of each to understand how they can contribute to a buyer's strength in the home buying process.

1. **Underwritten Mortgage Approval:** Underwritten mortgage approval involves a comprehensive analysis of the buyer's financial situation by a mortgage underwriter. This process verifies the buyer's income, assets, creditworthiness, and overall ability to repay the loan. Here are the benefits of having an underwritten mortgage approval:

a) **Increased certainty:** With an underwritten mortgage approval, buyers have a higher level of certainty about their loan eligibility and the amount they can borrow. It provides a clear picture of their financial standing, giving them confidence during the home search process.

b) **Competitive advantage:** Sellers and real estate agents often view underwritten mortgage approvals as stronger indicators of a buyer's financial credibility. This advantage can give buyers an edge over other buyers who have not undergone underwriting, especially in a competitive housing market.

c) **Faster closing process:** Underwritten mortgage approvals typically require more upfront work, but they can streamline the closing process. Since the buyer's financials are thoroughly reviewed beforehand, there are fewer chances of encountering unexpected obstacles or delays during the loan processing.

2. **Regular Mortgage Approval:** Regular mortgage approvals, also known as pre-approvals, involve a preliminary assessment of the buyer's financial situation based on limited documentation provided by the buyer. While not as comprehensive as underwritten approvals, regular approvals still offer some benefits:

a) **Budgeting and planning:** A regular mortgage approval provides buyers with an estimated loan amount they may qualify for based on preliminary information. This helps buyers set a realistic budget and narrow down their home search accordingly.

b) **Increased credibility:** Although regular mortgage approvals are not as rigorous as underwritten approvals, they still demonstrate the buyer's intention and ability to secure

financing. This can enhance the buyer's credibility when making an offer and negotiating with sellers.

c) Expedited initial process: Regular mortgage approvals are typically quicker to obtain since they require less documentation and underwriting. This allows buyers to move forward with making offers on properties faster, especially in a competitive market where time is of the essence.

In summary, both underwritten mortgage approvals and regular mortgage approvals offer benefits to buyers, but underwritten approvals tend to provide a stronger position when buying a home. They offer increased certainty, competitive advantage, and a streamlined closing process. Regular approvals, on the other hand, help buyers with budgeting, initial credibility, and a quicker start to the home buying process. Ultimately, the choice between the two depends on the buyer's circumstances and the level of confidence and advantage they seek in the competitive real estate market.