

Pre-Qualification

Provides potential borrowers with a general idea of how much they could borrow & their chances of being approved for a new loan, before completing an application form.

Requires an estimate but no proof of your credit, debt, income & assets.

Consumer consent-based & initiated by the consumer. Potential borrowers must opt-in.

Soft Inquiry. Will not impact consumer credit score & will not flag competitors' trigger alerts.

Indicates creditworthiness & IS NOT a firm offer of credit.

Consumer CANNOT pay for associated fees.

Lender CANNOT use for decisioning.

Note: Once the consumer elects to proceed with officially applying for a mortgage product, 'written' consumer permission is required & the hard inquiry will be noted in the consumer's report.

vs.

Pre-Approval

More thorough assessment by the lender evaluating the consumer's ability to repay a loan. May require formal application and verified documentation.

Requires documentation of your financials and verification of employment.

Initiated by the lender & must have consumer 'written' consent.

Hard Inquiry. Will impact consumer credit score in next 14-45 days & could flag competitors' trigger alerts.

Conditional commitment & IS a firm offer of credit.

Consumer CAN pay for associated fees.

May be used for loan denial with appropriate adverse action notices.