

Doron F. Eghbali Real Estate Law

[How Could You Obtain Lower Mortgages Now?](#)

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Real estate market is still undergoing a strategic metamorphosis. In fact, many home prices are still depreciating further and apparently we have not yet hit the bottom. This creates an auspicious opportunity for people who can afford to purchase homes at bargain prices. However, securing home mortgages at low rates usually proves a daunting task. Nonetheless, with some prudence and insight this could be accomplished.

RELATIVELY SMALLER BANKS OFFER BETTER RATES

Usually relatively smaller banks offer more reasonable rates than Wells Fargo, Bank of America and JP Morgan Chase. The reasons for this discrepancy could be summed up in the following points:

- **CONSOLIDATION OF LARGE BANKS:** In fact, since the the outset of the financial crisis in 2008, larger banks have sought to consolidate to shield themselves against losses and effectively cut competition in the marketplace. The consolidation has effectively stifled competition in the marketplace as larger banks relatively have more share of the market and do not see any reason to drop prices. Conversely, smaller regional banks or brokers need to compete with such behemoths. In fact, the best weapon such smaller banks have are relatively lower prices.
- **EFFICIENCY OF RELATIVELY SMALLER BANKS:** Smaller banks are nimbler at cutting costs whenever needed and bringing in prices lower than larger banks. In addition, larger banks pay their loan officers a salary while smaller banks give out commissions. Smaller banks usually operate on thinner margins, too. The confluence of these factors make it possible for smaller banks to offer relatively better loan rates.

HOW TO FIND RELATIVELY LOWER MORTGAGE RATES

You could use websites like [Lendingtree.com](#) or [Bankrate.com](#) to find smaller lenders and competitive prices. However, do not confine your search to these two websites. In fact, go to small banks in person talk to some people and ask as many questions as reasonably you have. This will ensure you know the pitfalls and obtain your mortgage intelligently knowing what you are getting into.

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