

# Prequalification vs. preapproval

## What's the difference?

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- **If you're considering buying a home** — Our prequalification letter can give an idea of your purchase price range
  - **If you expect to buy a home** — Our prequalification with credit letter carries a little more weight when you're house hunting, but not quite ready to start making bids
  - **If you're ready to buy a home** — Our **PriorityBuyer**<sup>®</sup> preapproval letter empowers you to bid on a home with confidence and lets sellers and real estate agents know you mean business<sup>1</sup>
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The words “prequalification” and “preapproval” may refer to two different services provided by mortgage lenders. While both are useful options for learning your potential purchase price range, it's important to understand how they differ.

### Prequalification

At Wells Fargo, we have two prequalification options:

- **Our prequalification letter** provides a general estimate of the loan amount you may qualify for based on preliminary information you provide and *without Wells Fargo obtaining a credit report*
- **Our prequalification with credit letter** provides a general estimate of the loan amount you may qualify for based on preliminary information you provide and *based on an initial review of a credit report*

### Preapproval

Our **PriorityBuyer**<sup>®</sup> preapproval<sup>1</sup> letter is more formal than a prequalification because it:

- Confirms you have submitted an application, are credit-checked and have completed the first loan decisioning phase
- States the approximate mortgage loan amount and purchase price range for which you qualify, subject to certain conditions or documentation
- Means we may offer a loan commitment once all information on your application is verified, underwriting requirements and conditions are satisfied and acceptable property-related reports are provided

***To learn more, contact me today!***

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1. A **PriorityBuyer**<sup>®</sup> preapproval is based on our preliminary review of credit information only and is not a commitment to lend. We will be able to offer a loan commitment upon verification of application information, satisfying all underwriting requirements and conditions, and providing an acceptable property, appraisal, and title report. Preapprovals are subject to change or cancellation if a requested loan no longer meets applicable regulatory requirements. Preapprovals are not available on all products. See a home mortgage consultant for details.

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