RE/MAX Properties

Direct Lender vs Mortgage Broker

Benefits and tradeoffs for Colorado homebuyers

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A direct lender makes the loan; a mortgage broker helps arrange a loan with a lender. Either can be a good choice. Compare actual terms, available programs, and service rather than assuming one route is always cheaper or faster.

Consideration	Direct lender	Mortgage broker
How it works	Apply directly to a bank, credit union, or mortgage lender that funds the loan.	Works with participating lenders to find and arrange a loan; does not fund it.
Potential benefits	Direct contact with the lender. Ask about existing-customer discounts or specialized loan programs.	Can compare several participating lenders through one contact, potentially saving shopping time.
Loan choices	Primarily offers its own products. You may need to contact other lenders for more options.	May offer broader choices, but does not cover every lender or every available loan.
Service and timing	May have closer access to its lending team. Approval and closing speed still vary.	Can coordinate your application, but relies on the chosen lender for underwriting and funding.
Costs and tradeoffs	May charge origination fees and points. Going direct does not guarantee the lowest overall cost.	Ask who pays the broker and how compensation affects costs. Broader access does not guarantee the best deal.

Compare the full offer

Request Loan Estimates for the same loan type, amount, term, and rate-lock period, preferably on the same day. Compare interest rate, APR, points, origination fees, lender credits, mortgage insurance, and cash to close. A lower rate may require higher upfront costs.

Check Colorado credentials and program access

Ask for the originator's NMLS ID and verify authorization for Colorado through NMLS Consumer Access. Nonbank originators generally need a state license; covered bank and credit union originators generally have federal registration. Ask which Colorado assistance programs and loan types the provider can actually offer.

Choose the provider that fits your situation

A direct lender may suit an existing banking relationship or a particular loan program. A broker may suit shopping across several lenders or finding a lender for unusual income or property needs. Ask who approves the loan, who handles questions, and whether closing deadlines are realistic. Neither route guarantees approval.

COMPARE A DIRECT LENDER AND A MORTGAGE BROKER

Discuss your homebuying plans with Doug Petersen | 970-290-3000

Sources: CFPB lender and broker guidance, Loan Estimate comparison, and SAFE Act FAQs. Reviewed October 2026. Educational overview. Each office independently owned and operated.