

Mortgage Pre-Approval: Your First Step to Buying a Home in Redding

Why getting pre-approved matters, what you'll need, and how to position yourself as a serious buyer in Shasta County's competitive market.

Before you start [scrolling through homes online](#) or scheduling tours, there's one step that separates window shoppers from serious buyers: mortgage pre-approval. It's not just a formality—it's your competitive edge in a market where sellers can afford to be selective.

I'm Nathan Cross, a Realtor serving Redding and Shasta County, and I've walked hundreds of buyers through this process. Some come to me ready to

make offers the same week. Others need a few months to strengthen their position. Either way, understanding pre-approval — what it is, what it requires, and how to prepare — puts you in control of your home buying journey. If you're still shopping for the right lender, start with our guide to [finding a mortgage lender in Redding](#).

Why Pre-Approval Matters More Than Ever

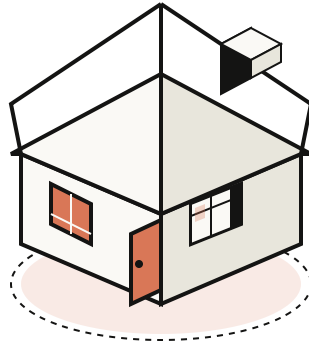
Let me paint a picture. Two buyers want to make an offer on the same home in [Palo Cedro](#). One has a pre-approval letter from a reputable lender. The other says they're "working with their bank" but doesn't have anything in writing yet.

Which offer do you think the seller takes more seriously?

In Shasta County's current market, well-priced homes can receive multiple offers within days. Sellers and their agents look at pre-approval letters to gauge which buyers can actually close the deal. A strong pre-approval signals that:

- A lender has reviewed your income, assets, and credit
- You're approved for a specific loan amount
- Your financing is unlikely to fall through
- You're motivated and ready to move forward

Without pre-approval, you're essentially asking a seller to take your home off the market based on a promise. In a competitive situation, that's rarely enough.



Pre-Qualification vs. Pre-Approval: Understanding the Difference

These terms often get used interchangeably, but they're not the same thing—and the difference matters.

Pre-Qualification

Pre-qualification is a quick, informal estimate of how much you might be able to borrow. You provide basic information about your income, debts, and assets—often just verbally or through an online form. The lender gives you a ballpark number within minutes.

It's a useful starting point for understanding your budget, but it carries almost no weight with sellers. No documents have been verified. No credit check has been run. It's essentially an educated guess.

Pre-Approval

Pre-approval is the real deal. You complete a formal mortgage application, provide documentation of your finances, and authorize a credit check. The lender verifies your information and issues a letter stating they're willing to lend you a specific amount, subject to conditions (like the home appraising at the purchase price).

This is what sellers want to see. This is what makes your offer competitive.

What Documents You'll Need

The pre-approval process requires documentation. Having these ready before you apply can speed things up significantly:

Income Verification

- **Pay stubs** from the last 30 days
- **W-2 forms** from the past two years
- **Federal tax returns** from the past two years (all pages)
- **If self-employed:** Business tax returns, profit/loss statements, and potentially a letter from your accountant

Asset Documentation

- **Bank statements** from the last 2-3 months (all pages, all accounts)
- **Investment account statements** if using for down payment
- **Gift letters** if receiving down payment assistance from family

Identity and Employment

- **Government-issued ID** (driver's license or passport)
- **Social Security card** or verification
- **Contact information** for your employer (for verification)

Additional Items

- **Landlord contact** for rental history verification
- **Divorce decree** if applicable (showing alimony/child support obligations)
- **Bankruptcy discharge papers** if applicable

Don't worry if your situation is complicated. Lenders deal with all kinds of financial scenarios. The key is transparency—disclose everything upfront so there are no surprises later.



The Pre-Approval Process: Step by Step

1

Choose a Lender

You can work with a bank, credit union, mortgage broker, or online lender. I recommend getting quotes from at least two or three to compare rates and fees. If you want recommendations for lenders who know the Redding market, I'm happy to share.

2

Complete the Application

Fill out the Uniform Residential Loan Application (Form 1003). Most lenders offer online applications now. Be thorough and accurate—inconsistencies slow things down.

3

Submit Documentation

Upload or deliver the documents listed above. Pro tip: scan everything as PDFs and keep a digital folder organized. You'll likely need to provide additional docs later in the process.

4

Credit Check

The lender will pull your credit report and score. Most conventional loans require a minimum score of 620, though FHA loans may accept 580. Higher scores get better rates.

5

Receive Your Pre-Approval Letter

If everything checks out, you'll receive a pre-approval letter stating the loan amount you're approved for, the loan type, and any conditions. This letter typically lasts 60-90 days.

How Much Home Can You Afford?

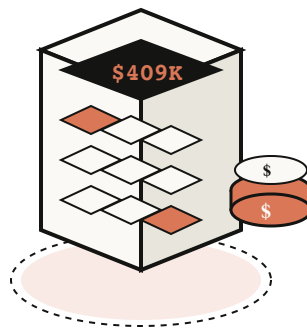
Your pre-approval amount tells you what a lender is willing to lend. But that's not necessarily what you should spend. There's a difference between being

approved for a \$450,000 loan and being comfortable with that payment.

When I work with buyers, I encourage them to think about:

- **Monthly payment comfort:** Including principal, interest, taxes, insurance, and any HOA fees
- **Emergency reserves:** Can you still build savings after your mortgage payment?
- **Lifestyle considerations:** Do you have hobbies, travel plans, or other expenses that matter to you?
- **Future changes:** Are you planning to have kids, change careers, or make other major life changes?

In Shasta County, you'll find homes across a wide price range. Whether you're looking at a starter home in [Anderson](#) around \$275,000 or a custom property in [Palo Cedro](#) at \$550,000, knowing your true comfort zone helps us focus your search on homes that make sense for your whole life—not just the mortgage payment.



Common Pre-Approval Mistakes to Avoid

Mistake #1: Making Major Purchases Before Closing

That new truck or furniture set can wait. Large purchases change your debt-to-income ratio and can torpedo your final loan approval. Don't finance anything until you have the keys in hand.

Mistake #2: Changing Jobs Mid-Process

Lenders verify employment right before closing. A job change—even to a higher-paying position—can delay or derail your loan. If a career move is unavoidable, talk to your lender first.

Mistake #3: Opening New Credit Accounts

New credit cards or loans affect your credit score and debt ratios. Avoid applying for any new credit during the home buying process.

Mistake #4: Making Large Unexplained Deposits

Lenders scrutinize bank statements for unusual deposits. If you receive a gift, bonus, or other large deposit, document its source clearly. Unexplained deposits raise red flags.

Mistake #5: Waiting Too Long to Start

Some buyers find their dream home before they're pre-approved, then lose it while scrambling to get financing in order. Get pre-approved before you start seriously shopping.

Loan Programs Available in Shasta County

Different loan programs suit different situations. Here are the main options you'll encounter:

Loan Type	Best For	Down Payment	Key Requirements
Conventional	Buyers with good credit	3-20%	620+ credit score, stable income
FHA	First-time buyers, lower credit	3.5%	580+ credit score, mortgage insurance required
VA	Veterans and active military	0%	Certificate of Eligibility, no PMI
USDA	Rural properties	0%	Income limits, eligible areas only
Jumbo	Higher-priced homes	10-20%	Excellent credit, larger reserves

Many areas in Shasta County qualify for USDA loans, which offer zero down payment for eligible buyers. If you're looking outside Redding city limits—in places like [Shasta Lake](#), [Anderson](#), or the more rural communities—this could be a great option.

Frequently Asked Questions

What's the difference between pre-qualification and pre-approval?

Pre-qualification is a quick estimate based on self-reported information—it takes minutes but carries little weight. Pre-approval involves a full application, credit check, and document verification. Sellers take pre-approval letters seriously because the lender has actually vetted your finances.

How long does mortgage pre-approval take?

With all your documents ready, most lenders can provide a pre-approval letter within 1-3 business days. Some online lenders offer same-day pre-approval, though these may require additional verification later.

Does pre-approval guarantee I'll get the mortgage?

Pre-approval is a strong indicator but not a guarantee. Final approval depends on the property appraisal, title search, and verification that your financial situation hasn't changed. Avoid major purchases, job changes, or opening new credit accounts during the home buying process.

How long is a pre-approval letter valid?

Most pre-approval letters are valid for 60-90 days. If yours expires before you find a home, your lender can usually reissue it quickly as long as your financial situation remains stable.

Will getting pre-approved hurt my credit score?

A pre-approval does involve a hard credit inquiry, which may temporarily lower your score by a few points. However, multiple mortgage inquiries within a 14-45 day window (depending on the scoring model) count as a single inquiry, so shopping around for the best rate won't hurt you.

Working With a Realtor During Pre-Approval

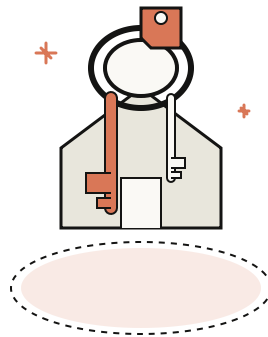
You might wonder: should I get pre-approved before or after finding a real estate agent?

Honestly, either order works. But there are advantages to connecting with an agent early:

- I can recommend lenders who work well with buyers in your situation

- We can discuss your budget and priorities before you settle on a number
- I'll help you understand how much house your pre-approval actually buys in different Shasta County neighborhoods
- If issues come up during pre-approval, I can help problem-solve

There's no cost to work with me as a buyer's agent—I'm paid from the seller's side of the transaction. So whether you're just starting to think about buying or you're ready to get pre-approved this week, I'm here to help.



What My Buyers Say

"Nathan took the time and set up opportunities to view quite a few homes before I found the house I wanted. Nate was great with negotiating a solid deal in a competitive market."

— Randall C., Redding

"We could not have picked a better realtor. Nathan was there to answer any questions we had, and if he did not know the answer he got the answer very quickly. Nathan was there even after we moved in to our new home."

— Zillow Review