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Real Estate With No Credit Check

How to Buy Real Estate With No Money Down

Your First Mortgage

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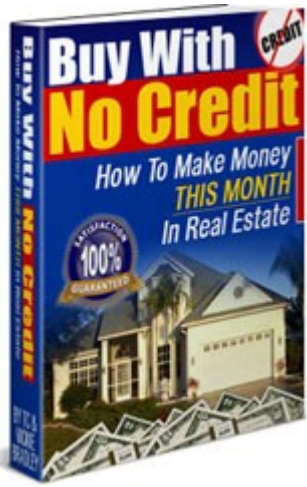
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Are You Prepared for A Home Loan

Home Loan Readiness

Owning a home is really one of the ultimate dreams of most people. No one will deny the fact that home ownership reflects the fruits of hard work through the years.

However, owning a home is not that easy. Financially, the implications are not very simple. A significant amount of money must be available before one even makes the first move to attain this kind of a dream.

Everything must begin with the identification of what you can really afford. This involves scrutiny of savings and other existing funds as well as the entry of income in the coming years. If one intends to get a home loan, a clear forecast of income in the future must be in place.

Most people obtain a home loan. Not too many people can afford to pay cash for a home. Stretching the loan out for years in affordable terms is the most sensible and thus lets people achieve the

dream of home ownership.

However, although home loans lessen the burden, it remains very important that the owner specifically matches his criteria for a home and income potential. It is true that getting the best home is the most fulfilling. However, in reality, the best may not be appropriate for everyone.

Your housing affordability is strongly dependent on money available for down payment, costs for closing a certain deal, and needs for a cash reserve. Normally, the greater the existing amount, the less you have to borrow for a home loan which is much better.

Agents of home loans normally go through an intensive consultation with the potential homebuyers. These discussions cover preferences as well as possible trade-offs given some budget constraints. These also aim to organize all factors involved at the very start of the transaction to avoid problems along the way.

At this stage, the buyer realistically asks himself, "What do I want in a home I can afford?" Indeed, searching for the right home is both subjective and objective. It is subjective because choices are

strongly dependent on personal taste and objective because a lot of tangible factors must be taken into serious consideration.

As soon as preferences have been laid down in the light of a realistic budget, you are ready to search for the actual home. There are realtors who can help in this stage as well as other service providers who can give an honest evaluation of the target neighborhood. However, this stage poses the temptation to go over the set budget so you must be very focused on what has been previously planned.

Getting the help of a real estate professional is indeed beneficial as they can help save time and effort as they know the ins and outs of the business. Proper communication of actual financial status and preferences should be in place. They can also suggest which loan providers are best in the industry.

On the other hand, having budget constraints does not automatically mean settling for a home of poor quality. You still need to be very critical as you inspect each of the homes that you visit. There are so many choices out there and quality must not sacrifice with amount.

There are online loan calculators that one can easily use to regularly monitor the price range against what one can actually afford. These tools are updated and make use of current interest rates. Thus, you can immediately see how much the monthly amortization will be.

A realistic evaluation is very important. Loan companies will not grant a home loan if finances and income potential are obviously not sufficient. This explains why an intensive credit investigation is conducted first. This is a standard procedure for any loan provider.

Indeed, proper planning here is very essential. It is not enough that you simply want a home. Your dreams of owning a home can become a reality if and only if all factors involved have been well considered. Otherwise, the dream may turn out to be a nightmare.

What Type of Loan Do I Need

The Most Appropriate Loan Type

Loans can be very helpful. However, this is only the case if you were able to choose the most appropriate for you. Otherwise, you

might end up being so burdened by what you have to pay regularly for the loan.

Loan providers are always willing to give you assistance on this. It is true that loan options can really be confusing. Thus, as long as you communicate well your needs to your loan agent, you may expect a professional advice and suggestions from them.

One type is called fixed rate mortgage. The rates here are consistent all throughout the life of the loan. Thus, monthly payments do not fluctuate and remain the same until everything has been settled.

If you prefer lower monthly payments, you may choose 30-year fixed-rate mortgages. The downside, however, is the fact that it will take you a while to accumulate equity in your home. This option is most advisable only if you intend to stay in your home for quite a number of years with a stable rate.

If such is not the case for you, you may opt for a 15-year fixed-rate mortgage instead. Since the principal and interest are distributed to a 15-year period, you easily accumulate equity in your home.

However, the monthly rates are definitely higher since you cut the period to half. This is most advisable if you have intentions of selling your home in a few years time while enjoying a stable rate.

The disadvantage for any form of fixed rate mortgages is manifested if interest rates happen to go down after some time. As soon as you agree to a certain rate at the start, no matter how much the interest rates decrease along the way that will not cover you anymore and you will have to adhere to what has been agreed upon.

Another type is called adjustable rate mortgages. Interest rates here change periodically based on a stable index so monthly payments will either increase or decrease. A 1-year adjustable rate mortgage, for example, causes adjustments in the interest rates annually.

Common indices followed by adjustable rate mortgages include 1-year Treasury Notes, Federal Funds rate, and the National Cost of Funds Index. There is usually a margin of one to two percentage points that are added up to the declared index rates.

Thank You For Reading the Your First Mortgage Preview

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