

Six Things You Must Know Before You Buy

Industry research has revealed that there are 6 common mistakes that most home buyers make in mortgage shopping. If handled correctly, these issues could result in a mortgage that will cost you less over a shorter period of time. Whether you are about to buy your first home, or are planning to make a move to your next home, it is critical that you are informed about the factors involved.

Consider these six issues before obtaining a mortgage.

- 1. Get pre-approved for a mortgage before you go looking for a home.**
Mortgage lenders can obtain written pre-approval for you at no cost and no obligation, and it can all be done over the phone. A written pre-approval is as good as money in the bank. It consists of a completed credit application, and a certificate, which guarantees you a mortgage to the specified level when you find the home you're looking for.
- 2. Know what monthly dollar amount you feel comfortable committing to.**
Find out what level you qualify for and also pre-assess for yourself what monthly dollar amount you feel you can handle. Your situation may give you a pre-approval amount that is higher or lower than the amount of money you want to pay each month.
- 3. To determine the type of mortgage that will best suit your needs, you should be thinking about long term goals.** Before you commit to a certain type of mortgage, ask yourself these questions. "How long do you think you will own this home?" "What direction are interest rates going and how quickly?" "Is your income expected to change in the near future and will this impact the amount you can afford to pay on a mortgage?" Answers to these questions and others will help you to determine the most appropriate mortgage amount for you.
- 4. Is your mortgage assumable?** A very powerful tool at the negotiating table is an assumable mortgage or one that the buyer for your home can take over when you move to your next home.
- 5. Make sure you understand pre-payment privileges and payment frequency options that are available to you.** Weekly or bi-weekly payments can take years off your mortgage. By structuring your payments so that they come out more frequently, you will greatly reduce the amount of interest that you will be charged over the term.
- 6. Seriously consider dealing with a Mortgage Lender.** Enlisting the help of a Mortgage Lender can make a considerable difference in the cost effectiveness of the mortgage you obtain. You never pay the broker for his or her services – the lender pays them. This valuable service is extended to you at absolutely no cost or obligation.

Call Joseph K. Kirby at 410-604-3376!

