

Qualify for a Mortgage Burnaby

Mortgage And Ways To Qualify For One

The idea of buying a house for a first time buyer can be extremely overwhelming and a lot do not know if it is possible in their finances. With the different alternatives obtainable to consumers, acquiring a mortgage has never been easier.

When considering mortgage applications, lenders determine whether you are qualified by accessing several factors. Among the main questions a lender would ask is how much of your whole salary will be dedicated to housing. This will suggest whether or not you will be able to comfortably pay for your home. Normally, your mortgage payment must not go beyond 30 percent of your monthly salary.

Other things that lenders consider is the previous financial commitments which a buyer has already like for example previous loans, house payments, credit cards, child support and others. Steady employment is a must for the majority of lenders. The longer you have held your existing job, the more likely you would be qualified. However, as long as there have been no major gaps of income over the last couple of years years, you would not have any difficulty acquiring a loan.

An extremely important factor to qualify for a loan is having good credit. They would even want to know that the value of the house is worth the price which you are paying.

When a borrower pays over 20% down on the purchase price, it is considered a conventional mortgage. A mortgage where the down payment is less than 20 percent is called a high ratio mortgage and needs default insurance to be able to guarantee that you do not back out on your loan. It is possible to qualify for a mortgage with a down payment of as little as 5 percent.

Things which are considered in the monthly costs when determining your budget to include hydro, heat, property tax, water, condominium fees, insurance and household maintenance. With careful planning, it is possibly to overcome the majority of problems the first time buyers usually deal with in as little as two years.