



Shopping For The Best Home Loan

Finding the perfect home is a task, but shopping for the best home loan can be even more tedious. With so many lenders promising low rates, closing costs and little or no down payment requirements, it's often difficult to know which way to turn. Luckily, there are several steps that you can take to find the right lender for your individual needs.

Assess Your Situation

Do you know what your credit score is? If not, you should. Most lenders rely on this triple digit number to determine both your creditworthiness and interest rates. If you have excellent credit, you can probably work with almost any lender. If you have severe blemishes in your financial past, however, finding the right lender may require a little more footwork.

How much money do you have for a down payment? If you are on a budget, you will need to choose a lender that can help to get you into a home with a minimal down payment. Knowing where you stand will give you a good idea as to which lender you need to work with.

Compare Rates

As is the case with anything in life, it pays to shop wisely. Because a home is the largest investment that most people will ever make, it stands to reason that comparison shopping is a must. As you speak with various lenders, ask about their rates, loan terms, qualification process and down payment requirements.

Interest rates change often, which means locking in your rates when they are low can save you a bundle of money. Because there are so many lenders competing for your business, you will be greeted with plenty of appealing offers, including low rates, closing costs and down payment requirements.

Demand The Best

You are the one buying the home, so you should be the one to choose the length of your loan term. With the exception of a situation where payments are simply unaffordable, it's up to you to decide how long you want to pay for a house. Many homebuyers prefer a longer loan term to keep the payments low, while others want to get the home paid for as quickly as possible with a shorter term. It's important to keep in mind that the longer you pay for a home, the more money you will end up spending in interest.

It's a good idea to talk to your lender about their willingness to accommodate your needs. If you're in doubt about which lender to choose or are new to the area and need a little guidance, ask your REALTOR® for a referral. He/she knows the business and will be more than happy to assist you in making your dream of home