

The Home Loans

Contributed by Webmaster

By Mike Smith

Buying a home may be the biggest decision of your life, but choosing the right home loan may be a bigger challenge. With housing loans a plenty there are a variety of options to pick from; so how does one choose prudently?

Prepare a Budget

Before you begin shopping for your home, its good to figure out your budget. This prevents any of those nasty surprises later on, making home ownership enjoyable rather than an overwhelming burden.

For you to ascertain your purchasing power, you need to think about the following things: monthly income, monthly debts, property loan closing costs, down payment amount, and importantly, your credit history.

Set a Price Range

When you pre-qualify for a particular home loan amount, it helps your real estate agent to narrow the search to homes that fit within your price range. It is now becoming practice for a real estate agent to ask for a pre-qualification letter or a certificate of pre-approval before showing you homes. You can pre-qualify online for a property loan in a few minutes on a number of sites including ours.

Start the Search

The fun begins the search for your new home. To browse through homes for sale check various online websites, visit open houses, in the classified section of your local newspaper, or find a real estate agent. The advantage of a real estate agent is the access to homes that are not always advertised in the paper. An agent would also help you to locate homes that fit into your price range, size and other criteria.

Make an Offer

Generally, the buyer or agent will make an offer to the seller or their respective agent which would include the offer price, various contingencies, and the earnest money deposit. Once your offer is accepted, which may be after some negotiation, you and the seller will enter a home purchase agreement to finalize the deal.

Freeze the Rate

After signing a home purchase agreement, you're ready to lock-in an interest rate on your housing loan. This freezes your interest rate of the loan and protects you against market fluctuations for a specific time period. Market fluctuation only affects Adjustable Rate Mortgages, which are home loans where the interest rates change with the index.

About the Author:

Get information on home loan rates offered by various major Indian banks and compare them with one another to apply for the best Home Loans at Apnaloan.com.