

How to Get a Mortgage

awfhomeloans.com/how-to-get-a-mortgage/



is an exciting time. ***If you have a good line of credit, your income is strong, and you have money saved up, you should be preapproved fairly quickly.*** This will let you kick start the process of buying a home. If your credit is low, however, or if you're self-employed or don't have much cash, it's always wise to start the process much earlier, perhaps as much as a year before you intend to make the purchase. Before you even complete your mortgage application or go and attend an open house, you'll want to know some things.

Pay Off As Much Debt As You Can

[Paying off as much debt as you can](#) is going to allow you to keep what's known as your debt to income ratio way down. Lenders for the home buying experience will check your income and debts, including credit card debt, car payments, and even student loans in order to [figure out how much you'll be able to afford](#) to borrow. If your total debt including these new payments is greater than 43 percent of your income, you probably won't get the loan. Some lenders out there will want an even lower ratio. If you have student loans in default or owe back child support, you simply won't qualify to get a loan.

Check Your Credit Score

You're going to be able to receive a better interest rate if your credit score is higher. The minimum score to qualify for a loan for your home is 620. There's a [free credit report](#) that you can receive on a yearly basis, but this won't give you an idea as to the credit score that the lending officer will get their hands on. For whatever reason, the score you receive will always show up as being higher than it will for someone in the mortgage company. This means that it's essential to meet with mortgage officers. Some agents won't even show these homes to a buyer who hasn't already been preapproved. If there are any judgments or collections within your credit report, you" have to make sure that that's taken care of before you can secure financing.

Make Sure to Get Pre-Qualified

In order to figure out how much it is that you can borrow, a lender might pre-qualify you to get a mortgage. You'll have to provide information about all of your assets as well as your liabilities and income. Based on all of that information, the lender is going to provide you with an estimate of just how much money you'll be allowed to borrow. By having this amount in advance, you'll be able to figure out your price range without going into house buying.

The [process of getting pre-qualified](#) is fairly informal. The lender isn't going to verify the info, they won't charge any kind of fee, and they won't formally agree to approve a mortgage for that amount that you're pre-qualified to actually

borrow.

Save Up for a Down Payment

You're going to need money for a down payment on the home as well as more than a year of taxes as well as any payments for insurance. Lenders are also going to look for extra assets you have that you might be able to turn to should an emergency pop up. Financial experts aren't in agreement on just how much money you'll need to make that down payment. 20 percent is usually considered a good amount to count on, but you can purchase a home with even 3.5 percent paid as a down payment with what's called a Federal Housing Administration mortgage. You can also use 5 percent with a conventional mortgage or even nothing down if you're a military vet and you get a VA loan.

Keep in mind that the less you actually make a payment, the bigger that monthly payment is going to be. Also, if a down payment is less than 20 percent of the eventual purchase price, you're going to have to pay for private mortgage insurance or the equivalent for the FHA, which is known as mortgage insurance premium.

Get Pre-Approved

When it comes to [getting pre-approved](#), the lender will check up on your [credit](#), verify all of your information, and confirm that you can qualify for a mortgage. Getting pre-approved will strengthen the position that you have to make an offer when you find a suitable property. Sellers are more likely to accept an offer from buyers who have been pre-approved because it shows that you have the resources to purchase that home.

You'll have to produce a number of documents, such as bank statements, tax returns from years back, proof of assets, and two forms of government ID. They'll also want to know the source of large deposits. If your parents provide you with money to purchase the home, there will have to be a letter proving that.

Contact Us

Banks are the traditional way to get funding for a house. This way you have a face-to-face level of service as well as recognized name brands and fees that are competitive with other types of lenders. ***Banks lack a variety of loan programs which means that they can't offer the lowest fees or interest rates.***

Utah mortgage brokers like America West Financial Home Loans, offers a number of different loans , including [FHA home loans](#), [VA home loans](#), conventional home loans, [mortgage refinancing](#), reverse mortgage loans, and for those with bad credit. Having this variety will mean that you can get the lowest of interest rates, as well as the most convenient type of one-stop shopping for the purpose of comparisons. Since you can meet with an actual broker, being face-to-face is a definite bonus. Once you've chosen your broker, you'll be well on your way to purchasing that home of your dreams. ***If you're thinking of getting a mortgage in Utah, contact America West Financial Home Loans*** at 801-957-0155 or complete our online form today!