

## Getting a Mortgage Kelowna

### What Is A Mortgage

One of the most important choices a person makes in their lifetime is obtaining a house. It is a major financial commitment and it is really important that you do correct research about the various types of available mortgages. Knowing mortgage terminology that is important and the different available alternatives will allow you to make an informed choice and would make sure that you receive the best available rates.

Each customer could be at different stages in life making the needs of each and every customer more unique. Lenders would offer a wide variety of packages to suit each requirement. It is a great idea to consult a mortgage expert who would help you pick a mortgage solution that suits your circumstances and requirements. They are trained to offer sound, professional recommendation and will lead you to the best result for your financial situation.

One of the first steps is to get a pre-approval from a lender stating how much money you can borrow. It is important that you stay within your budget and avoid looking at homes that are out of your price range. Normally, the pre-approval amount is guaranteed for 90 days. In some situations, it may be wise to have a co-signer for your mortgage documents for additional security.

There are not many home buyers who could obtain a home up front. Most need to find some type of financing, like for instance a mortgage, which is a loan from a lending institution. Instead of paying the entire amount at once, they pay in installments over a specific period. The lender of the money is called the mortgagee and the borrower is referred to as the mortgagor.

Lenders would usually require that the borrower put a downpayment on the home that would be used towards the purchase of home. The amount of the mortgage is estimated by the price of the house or loan, less the downpayment. Similar to all loans, the amount of your mortgage should be paid back with interest. Every mortgage is different in that the methods of repayment differ. Mortgage payments consist of two parts. The majority of the money owed goes towards paying the original amount borrowed while the other part goes towards paying off the interest that has accumulated.

When negotiating your mortgage terms, it is important to put down the largest possible payment. This would decrease the amount that you need to borrow and, as a result, you will owe less interest overall.

A conventional mortgage is defined as a mortgage where the downpayment is more than or equivalent to 20 percent of the purchase price. If you have less than 20 percent as a downpayment, it is referred to as a high ratio mortgage. One of the requirements of a high ratio mortgage is mortgage default insurance, that protects the lender if the borrower defaults on the loan.