

## Qualify for a Mortgage Kelowna

### Mortgage And How To Be Qualified For One

The idea of acquiring a home for a first time buyer may be extremely discouraging and many do not know if it is possible within their resources. With the different options available to consumers, obtaining a mortgage has never been simpler.

When considering mortgage applications, lenders determine whether you are qualified by accessing various factors. One of the main questions a lender would ask is how much of your total earnings will be dedicated to housing. This would suggest whether or not you would be able to comfortably pay for your home. Normally, your mortgage payment should not exceed 30% of your monthly salary.

The second thing that a lender will consider is any other financial commitment that you have already, like for example past loans, house payments, child support, credit cards, etc. They also want you to have a history of steady employment. The longer you have held your current job, the more likely you would qualify. Then again, so long as there have been no major gaps of income during the last couple of years years, you shouldn't have any trouble acquiring a loan.

An extremely essential factor in qualifying for a loan is having good credit. They will likewise want to know that the value of the house is worth the price which you are paying.

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

Things which are considered in the monthly expenses 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 often face in as little as two years.