

## Qualify for a Mortgage Langley

### How Lenders Assess If Customers Qualify For a Mortgage

As a first time buyer, the thought of obtaining your very first home is really overwhelming and lots of individuals wonder if it is really within their financial budget. With the different alternatives available to clients, securing a mortgage has never been easier.

Lenders would decide whether a person is qualified when considering mortgage applications. They do this by accessing an assortment of things, among which is your total earnings will be utilized towards housing. This would suggest whether or not you can comfortably pay for your house. As a general rule, your mortgage payment should not go over 30 percent of your monthly income.

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, and so forth. They also desire you to have a history of steady employment. The longer you have held your existing job, the more likely you will qualify. However, so long as there have been no significant gaps of income in the past two years, you shouldn't have any problem obtaining a loan.

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

When a borrower pays more than 20% down on the purchase price, it is considered a conventional mortgage. A mortgage where the down payment is below 20% is called a high ratio mortgage and needs default insurance to be able to guarantee that you do not back out on your loan. It is possible to be qualified for a mortgage with a down payment of as low as 5%.

Things which are considered in the monthly costs when determining your budget to consist of hydro, heat, water, property tax, condominium fees, insurance and household maintenance. With careful planning, it is possibly to overcome most problems the first time buyers normally deal with in as little as two years.