

Work sheet: How to get a mortgage

How to get a mortgage

Checklist	
<input checked="" type="checkbox"/>	Step 1: Find a mortgage that's right for you.
	The most common types are 30-year and 15-year fixed mortgages where the interest rate is fixed for the term of the loan. Other types include adjustable rate mortgages, called ARMs, where the interest can vary over time, hybrid ARMs, jumbos assumables and seller financing.
<input checked="" type="checkbox"/>	Step 2: Determine how much house you can afford
	Equity in your current home (if you own)
	Amount you can put down
	Monthly payments you can manage
	Real estate taxes
	Closing costs and insurance - homeowners and possibly Private Mortgage Insurance if you put less than 20 percent down
	Monthly payments on debt obligations including credit cards, alimony, student loans should not be more than 36 percent of your pre-tax income
<input checked="" type="checkbox"/>	Step 3: Check your credit
	A potential lender will check your credit report immediately. Get all three of your credit reports to check for errors and clear up problems.
<input checked="" type="checkbox"/>	Step 4: Pre-qualification and pre-approval
	If you haven't found a home yet, consider getting pre-qualified, which means that a lender will review your financial history before you find a home, or pre-approved, which means that a lender will check your credit and provide you with a letter stating that you've been pre-approved for a certain amount. Both of these will help improve your purchasing power.
<input checked="" type="checkbox"/>	Step 5: Gather the necessary paperwork
<input checked="" type="checkbox"/>	Step 6: Find a lender
	Check the rates and lenders on http://www.bankrate.com/brm/rate/mtg_home.asp . Remember that the lowest rate doesn't mean it's the best loan for you. In addition to the rate, check on points (pre-paid mortgage interest which will increase your upfront costs), APR and other fees associated with a given loan. Compare mortgages and talk to several lenders before you apply for a loan.
<input checked="" type="checkbox"/>	Step 7: Assess your potential home
	Hopefully you've found your dream home by this time. Be sure to thoroughly evaluate the home to make sure it's what you really want. An appraisal is part of the mortgage process and will ensure that you're paying the appropriate price for your home.
<input checked="" type="checkbox"/>	Step 8: Prepare for closing
	Make sure the closing is scheduled before your loan commitment and any rate lock-in will expire. And be sure there is enough time to finish any loan documentation and complete any home inspections or repairs.
<input checked="" type="checkbox"/>	Step 9: Closing day!

	<p>Congratulations, you're about to own a new home! At the closing you will have to sign legal documents and pay closing costs. Closing costs could include surveying, taxes, insurance, attorney fees, agent fees, points, loan origination fees, PMI and balance of down payment.</p>
<input checked="" type="checkbox"/>	<p>Step 10: Servicing the mortgage</p>
	<p>At closing, your mortgage lender must tell you who will be servicing your mortgage loan. Traditionally, the mortgage banker would service the loan for the life of the mortgage on behalf of the investor. However, the servicing may be handled by a third party.</p>