

Home Financing Made Easy Part One

By Bruce Smith



Buying a home could possibly be the biggest investment you'll ever make. Your ability to position yourself for the best mortgage will help you pay down this investment early and assist you in becoming mortgage free.

What Can I Afford?

When you begin the home shopping process it helps to know your purchasing power. Otherwise, you can easily waste time looking at homes priced above or below your means. Avoid disappointment by having your mortgage broker assist with a prequalification or formal lender pre-approval. The information that is factored into your financing equation includes:

- Income
- Credit history
- Amount of proposed down payment
- Total current debt
- Current interest rates
- Estimated taxes and heating cost

Once this information is assembled and reviewed, your mortgage broker will provide you with an idea of what you can afford. An application may be filed as a means of introducing you to the lender and indicating that a purchase and sale offer will be forthcoming.

You can visit the Future Group Mortgage Web site at www.futuregroup1.com for links to mortgage calculators, which will assist with the prequalification process.

Choosing the Mortgage Best Suited for Me

Today's buyers have an unlimited financing options to choose from. If you are wondering which loan program is right for you, you're not alone. The right loan depends on your family situation, finances, tolerance for risk,

investment strategies, and how long you plan to own the home. Questions to consider are:

- Do I expect my current income to significantly change over the next five years?
- How much do I have for a down payment?
- Do I have family that can assist me if required?
- Can I tolerate possible increases in interest rates to achieve an overall lower rate over time, or would I sleep better with a fixed monthly payment?
- Do I want to pay off my mortgage quickly or would I prefer to take any extra money and direct it to other investments?
- Do I plan to move in the next five years?

Armed with this information, your mortgage broker will be able to direct you into the best mortgage product for your unique situation.

[Read Part Two: Improving My Ability to Obtain a Mortgage](#)

[Read Part Three: Information Required at the Time of Application](#)

Part Three coming in February 2007: Additional Costs Associated with Buying a Home in February

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