

How to save more when buying a home

In this tough economy it's not so easy to make an investment of any kind, especially when it comes to real estate. Purchasing a house is a big decision and almost everybody has to face the fact that in order to buy a house it's crucial to secure a mortgage.

But if you are eager to move in and save more in your bank account, then you should follow some simple guidelines that can help you reach your dream house and save more.

- Choose the best among the different types of home mortgage plans available to you

First of all, ask advice from your mortgage lender and seek which plan can help you save money; the most important feature however for a mortgage plan is set on fixed rates or adjustable rates. Fixed rates are good for those who don't want to see their rate go up and down with the market, since the mortgage contract states the rates are locked regardless the market trend. On the other hand opting for an adjustable plan means that homebuyers can take advantage of when the market goes down and all of a sudden also mortgage rates drop. Problems rise when the market goes up and the instalments skyrocket. It's up to you which plan is more financially comfortable for you.

Whatever mortgage plan you choose, you have also to be aware of the extra costs and interests that are going to add up to your rates. Paying or not, as time goes by, interests keep growing. But there's one thing you can do to cut the costs, make extra payments.

If for example, you are able to save one hundred dollars a month and set them as an extra payment for your mortgage rates, then you'll reduce the interests that would grow up on that money and shorten the time to pay off your mortgage plan.

If you take this path, be careful not to fall on some penalties of the mortgage company though. Some mortgage lenders could try to charge an extra cost if you want to make an extra monthly payment. So be clear with your company with written instructions about the extra check you want to send.

- Be aware of your home repair skills

There's plenty of options available on the house marketplace, and a smart choice could be influenced by your home repair skills: buying a house at a lower price but in need of some work is a reasonable choice if you can take charge of these repairs by yourself, which would enable you to save money also for the future as you wouldn't need the presence of contractors and other experts. Take a honest look at your skills and then you'll be more clear on your real opportunities.

- Look for First Time Buyer Discounts.

Do you belong to first-time buyers' category? Then you may be eligible for some benefits and special terms. As you don't have other real estates to put on the market you have the possibility to provide a lower down payment than those second or third home buyers that need to pay for a higher percentage.

Buying a house is everybody's dream and yet an expensive task, in this article you can find tips that can help you clear your mind on your choice. Always be aware of your financial resources and feel comfortable when you sign up for a mortgage.