

How much should I set aside for fees and closing costs?

There are other expenses that you may want to budget for, including appraisal, title, and closing costs, among other insurance expenditures. Your budgetary requirements will vary depending on several things. Closing fees and expenditures often amount to 3% to 6% of the total cost of the house. Although it is wise to plan financially, there are ways to ease the strain, such as having the seller assist or adding these expenses into monthly payments.

What distinguishes a pre-approval from a pre-qualification?

Although many people confuse them, a pre-qualification and a pre-approval are not the same thing. Pre-qualification is merely an informed guess as to how much you would be allowed to finance a house. The confirmed, official estimate of the loan amount you are accepted for is called a pre-approval. Getting pre-approved before going house hunting is crucial since it will increase your chances of finding the house of your dreams.

Why is my credit score important in the home-buying process?

One of the key considerations in evaluating your loan eligibility is your credit score. Lenders must ensure that borrowers have a track record of timely loan repayment and that they will return their debts as agreed upon before granting credit. Your credit score provides a reasonable indicator of a borrower's punctual payment history!

What credit score is required to purchase a property?

Every loan program has different prerequisites for qualifying.