

Title:

Home Loans Overview

Word Count:

491

Summary:

There are a number of different loans available in the market today and while there are indeed many home loans available, home equity loans really do deserve to be put in a league of their own.

Keywords:

finance, loan, dept, home, consolidation

Article Body:

Home is the biggest dream of everyone's life. In today's market with ever-increasing prices of land and property, buying a home requires meticulous planning.

In most of the cases buying your dream house will require some kind of financial help. Banks come as a rescue at this point. Keeping in mind the increasing trend of buying houses, Banks have made home loans really consumer friendly.

Market is flooded with lot of lucrative deals but of course with hidden costs. Always consult a professional before applying for home loans so as to help decipher these costs and help you get the best deal in terms of PMI, flexi interest rates and bank services.

Home loans are something that involves lot of money and thus its PMI is extended over long period of time. One has to take care while choosing a bank with repute to finance home projects. It has been widely experienced that a customer is troubled few years later and then his options are limited, but gets exploited. Always go through the deal carefully and see for any sort of loopholes.

The golden rule is to be prepared to enjoy the loan and not crib over buying of home.

The first thing towards preparation of Home loan is to calculate your true borrowing capacity.

Let us have a look at the various types of Home Loans presently floating in the market-

1. Capital repayment home loans
2. Endowment home loans,

3. Pension linked home loans
4. Interest-only home loans
5. Reverse home loan

Apart from availing loan for buying a new house, these days you can also avail home loan for renovation, extension etc. Right choice of financial institution can save a lot of worry and money. Factors on which loan depends are-

1. Your financial position- basically it refers to your budget and affordability.
2. Equity you share in finished property
3. Time frame
4. Whether you are selling a property to buy this one or are it a fresh first buy.

Analyze the complete situation in totality; weighing the options provided and risks involved. Only then will you get the optimum benefit of the loan. Most important factor in deciding home loan is interest rate. You can choose among various options of interest rates, namely-

1. Fixed-rate loan
2. Adjustable-rate loan
3. Loans for first-time homebuyers

You can choose the first option of fixed interest rate loan if you are a salaried income earner. This stable interest rate will help you plan your monthly budget conveniently and save you from unnecessary concern over fluctuating interest rates.

Adjustable interest rate is beneficial for those who are taking loan from investment point of view. Here initial interest rate is low. Interest rate will change based on market conditions.

The idea behind loan for first time buyers is to give them hassles free loaning system.

There is no dearth of options to avail loan but one needs a lot of research to avoid any kind of hassles at a later stage.