

## Title:

Home Loan Interest Rate

## Word Count:

511

## Summary:

A home loan is the security for the repayment of a debt, such as the one incurred upon the purchase of that home, whereas mortgage means a loan secured by a real property. In other words it is a loan on a property that has been taken as security by the lender against the loan. Home loan interest rate is the financial charge for availing the authorization of using the future capital. Sometimes this interest rate becomes one of the very important factors that you must think before applying for any loan.

## Keywords:

interest rate,finance

## Article Body:

A home loan is the security for the repayment of a debt, such as the one incurred upon the purchase of that home, whereas mortgage means a loan secured by a real property. In other words it is a loan on a property that has been taken as security by the lender against the loan. Home loan interest rate is the financial charge for availing the authorization of using the future capital. Sometimes this interest rate becomes one of the very important factors that you must think before applying for any loan.

You can get a lower home loan interest rate if you constantly keep an eye on the various updates of the banks. In order to carry on with the market competition and to expand their business, the banks often try to offer the lowest interest rate and hence you will be getting better values. If you go back less than a decade ago, you will find that the bank used to enjoy more benefit over their customers because majority of the clients lacked what we call bargaining power; this is because there was less competition. With the gradual passage of time many banks came into existence that started offering lower home loan interest rate and the previous situation reciprocated and now the customers have started enjoying more power.

The credit card report in certain cases also acts as an important factor in

determining your home loan interest rate. A credit card report contains information about the form of credit you have obtained, bankruptcies, history of bill payment, and court history at each and every phase of your life. Not only this, each time a creditor's admittance is also noted down in your credit card report.

The various reasons for which a creditor will access your credit report are for home loans, personal loans or credit cards etc. One thing you must keep in mind that a creditor only will be allowed to access your credit report with permission only. This factor is important because what happens is, if in a short period of time quite a lot of lenders have accessed your credit report then either the lenders will deny your loan applications or you may get a higher interest rate offer.

The type of occupancy determines the home loan interest rate because if the loan is meant for the home, where you will be living in for full time, part time or rent affects. In general those who live in their homes for a longer duration enjoy the best rates. Just like when you buy something in bulk, you get to pay for the reduced price; this same thing also takes place if you borrow larger sums of money. It may help you to land up with a discounted interest rate.

Sometimes the business costs also decides this interest rates. Like different states have different business costs owing to their respective rules and regulations. For the lenders they pass or add this cost to you in the form of interest rates. Hence, fluctuating cost means fluctuating interest rates.