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Checklists for getting Housing Loan by Axisbank

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Buying a house can surely turn out to be a financial burden both for citizens of India as well as for non-resident Indians (NRIâ€™s) had housing finance companies and banks not come into existence. There are many government and private organizations that are always ready to help the individuals to obtain the housing loans at cheaper interest rates.

These housing finance companies work towards the main objective of providing housing finance loans to the individuals. However, a lot many things go into the process of providing a housing loan one of them being interest rates variability and their computation method.

One of it is checking out on how the calculation of housing loan interest rates. While EMI (equated monthly installment which is a mode of loan repayment) has to be mandatorily being paid on the housing loan taken, the way the housing loan EMI is calculated is also important.

There are two ways in which EMI on a housing loan can be calculated â€“ (1) monthly reducing basis (2) Annual reducing basis.

The logic of differentiating them is fairly simple. While the base EMI calculation is the same, it differs the way in which you pay-off the EMI whether monthly reducing or annually reducing basis. When calculating on the monthly basis, one ends up paying less since the calculation is done on lower principal as against the annual reducing basis.

One can also utilize home loan emi calculator which gives instant results.

Along with the interest rates which need to be checked out, one also needs to validate certain applicable eligibility factors which are as under:

Income:

Housing finance companies more often than not finance 85% of the value of the property but this varies from banks to banks. Apart from this, the banks also check the individual financial strength of the person which checks the loan repayment capacity of the person.

Credit History:

While financial strength of the borrower is important, his financial credit history is equally important. This housing loan eligibility check helps gauge a bank whether the borrower will pay back the housing loan on time or not.

Personal Profile:

This is also important as it indicates personal traits of the person, the number of dependents, and the qualification which indicates the source of income of the person. All of these factors act as a checklist for the banks to gauge the credentials of the housing loan borrower.

Age:

Age of the applicant and the co-applicant is also one of the factors to decide how capable he or she is in returning the loan. For example if the housing loan borrower is 45 years old and would retire at

the age of the 65 years of age, he may get 15 years loan only.

Demographics of the property:

Along with the demographics of the person, that of the property is equally important for the housing finance companies. Factors like the age of property, the total size of the flat, the carpet area form the checklist points for the housing finance companies.

Upon qualification of these factors, one can easily qualify for the housing loan from a good company and can purchase his or her own dream house.

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Axisbank - About Author:
The author is a seasoned professional in the financial sector and through his writings guides people in securing good a housing Loan. He recommends opting for the emi calculator for home loan to calculate your monthly EMI before buying a Home Loan.

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