First Home Buyerâ€™s Guide to Getting the Right Mortgage

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Article published on February 14th 2012 | Loans

It is every Australianâ€™s dream to purchase and own a home. But not everyone has financial resources to buy a house. That is why getting the right home loan is essential if you want to improve your finances in the future. You must realize that buying your own home is the biggest financial investment you will make in your life. Standard mortgages would span somewhere between 15 to 30 years. Imagine being chained up with a financial obligation for three decades. You certainly would not want to blow your chance of getting the right home loan.

Below are some tips for a first home buyer like you to ensure that you are on the right track with your home loan application.

Know how much you can borrow. You need to first have an idea of the amount you need to borrow. The easiest way to find out how much you can borrow is by using the borrowing power mortgage calculator. This mortgage calculator will need you to input several crucial information before it gives you an estimate amount that you can comfortably borrow and repay. Still, you will need to consult with your lender or broker to discuss these things. You need to refrain from borrowing beyond your means to avoid serious financial issues in the future.

Find the right mortgage broker. How exactly do you find the right help? The answer is research. The internet is your friend when it comes to researching about the different mortgage brokers that operate in Australia. All the information you need is there in the form of customer reviews, government accreditation, forum discussions, etc.

Use the different mortgage tools available online. There are hundreds of mortgage websites in Australia. Among the different services they offer is the use of different mortgage calculators which they host on their sites. A mortgage calculator makes the process of home loan comparison a lot easier even for people who have but little knowledge of how home loans work.

Choose wisely between fixed rate and variable rate loans. For a first home buyer, choosing a home loan is difficult especially without guided help. You will need to consider whether you are after flexibility or security before choosing between a fixed rate and variable rate mortgage loan. Variable rate loans are the better choice during times when the interest rates are declining. And because your interest rate moves with the official mortgage rate, thereâ€™s a good chance that you will be paying less for your mortgage. However, your payments will also go up once the mortgage rates increase. This is where a fixed rate loan becomes the better choice. If you take out a fixed rate loan, you will not be affected by any increase in the mortgage rates. However, you wonâ€™t be able to enjoy the benefits of declining interest rates.

Article Source:
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Article Keywords:

first home buyer grant, first home owner

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