Some Basic Home Loan Considerations for Married Couples by Crowin Smith

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Couples who are getting a mortgage have a slightly different predicament compared to single individuals. Thatâ€™s basically because having a significant other who has a not-so-good credit rating can spell trouble for their financial future. One must remember that couples who apply for a mortgage together will have their individual credit ratings equally assessed. The problem is that should a partner have records of late payments or debts, the consequence for the couple is a higher interest rate due to the risk implications of lending money to people who have bad credit histories.

It is a known fact that a coupleâ€™s individual credit histories will be seen as one. However, both their credit ratings will have equal impact on their home loan application. That is why it is advisable for couples to first share their scores before they decide to apply for a mortgage. Once the couple has identified the problems, they can figure out a way to start improving their credit scores. It might seem un-romantic, but in essence, people should be well-informed about their partnersâ€™ credit histories before deciding to have their finances merged to purchase a property.

For those who are looking to have their credit fixed, time is definitely a requirement. Despite your sincerity and dedication to fix your damaged credit, it will definitely take some time before things shape up.

The best piece of advice given to people with bad credit is to wait until they raise their credit scores. That way, they could get better choices and rates. But in case you decide to go ahead with the mortgage application despite a shaky credit rating, a bad credit mortgage will be one of your options. A simple mortgage comparison will tell you that bad credit loans are pricier because of the higher interest rates they come with.

A mortgage comparison will be very essential in this scenario since you would want the best bad credit mortgage available for your unique financial circumstance. Whatever loan you may end up with, you always have the option to refinance to a better mortgage later after you have successfully rebuilt your credit rating.

Couples with not-so-stellar credit can also purchase a property under one name. In case one of the partners possesses adequate salary, some lenders might discard the idea of issuing the mortgage to both individuals. Once the other partner re-establishes his or her credit ratings, they can opt to refinance the mortgage as a couple.

As a couple, you must take an honest look at the status of your credit ratings. Sometimes, rebuilding your credit is worth the wait. If you simply are a big lending risk, just have your credit fixed first and avoid the extra cost brought about by higher home loan interest rates.

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