Four Things You Need to Understand when It Comes to Banking by Justin Bill

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Imagine youâ€™re about to move into a beautiful home in either Houston or Huntington, Texas. Or, you find the local bankâ€™s deposit account too juicy to pass. Youâ€™re considering getting a mortgage loan opening an account with them.

Who can blame you? While Huntington has one of the lowest poverty lines throughout the state, Kiplingerâ€™s Personal Finance Best Cities of 2008 lists Houston in its top ranks for its economy, reasonable living costs, and quality of life. While those allow many citizens to afford getting either a mortgage or a bank account, you might want to hold that thought for now. You first need to understand a few things about banks.

High-Balance Accounts Suddenly Drop Yield

Itâ€™s tempting to do business with a bank advertising a high-yield deposit account. What you need to know is that some banks may switch you off the plum yield once your balance reaches a threshold like, say, $30,000. Be sure to understand the accountâ€™s terms, especially if youâ€™re looking to mainta a big balance with them.

Some Tellers Get Fees for Investment Products

Youâ€™re probably wondering why it feels like the loan officer is pushing you into an investment product while inquiring about the mortgage loan. They usually get a commission for doing that. Unfortunately, some products arenâ€™t insured by the Federal Deposit Insurance Corporation (FDIC). While the resulting yield might be too tempting to resist if ever, always ask if, at least, itâ€™s covered by the FDIC or not. Investments are good to make for the right reasons.

The Bank Loan May Not Be Right

Letâ€™s say you finally found your dream home and simply need a loan. A mortgage banker Houston TX residents usually approach might offer one with a seemingly low rate that actually jumps in the succeeding years, especially if the lending business is rather slowing down. Consider getting whatâ€™s called a two-step adjustable mortgage where a fixed rate kicks in after a set period.

There Might Be Unexpected Fees

Nobody, least of all, you, likes pay for charges that were not announced in the first place. A mortgage banker Huntington has might impose certain fees after. Always ask for an itemized and detailed list of whatâ€™s expected to be paid, and ask that the bank to disclose to you all the fees included in your transaction.

When dealing with financial institutions, donâ€™t be afraid to ask as many detailed questions as possible. You can also read more about laws involving banks and any mortgage banker Houston has on Dummies.com and EzineArticles.com.

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