

## Qualify for a Mortgage Alberta

### Things Lenders Consider In Determining If Customers Qualify For A Mortgage

As a first time buyer, the idea of acquiring your first house is really overwhelming and lots of individuals doubt if it is really within their financial budget. With the different alternatives available to consumers, acquiring a mortgage has never been easier.

Lenders would decide whether a person is qualified when considering mortgage applications. They do this by accessing various factors, amongst which is your total income will be utilized towards housing. This would suggest whether or not you could comfortably afford your home. As a general rule, your mortgage payment should not exceed 30% of your monthly salary.

The second thing that a lender would look over is any other financial commitment that you already have, such as past loans, house payments, child support, credit cards, and so forth. They also want you to have a history of steady employment. The longer you have held your current job, the more likely you will qualify. However, so long as there have been no major gaps of income in the past couple of years, you will not have any trouble obtaining a loan.

Good credit is another important qualifying factor for a major loan. They will also want to know that the value of the property is worth the price which you are paying.

When a borrower pays over 20 percent down on the purchase price, it is considered a standard mortgage. A mortgage where the down payment is less than 20% is known as a high ratio mortgage and needs default insurance to be able to ensure that you do not back out on your loan. It is possible to be qualified for a mortgage with a down payment of as little as 5 percent.

It is important to think about other monthly costs like for instance hydro, heat, water, property tax, condominium fees, insurance and household maintenance when determining your resources. By carefully planning, it is possible to overcome most obstacles the first time buyers normally deal with in as little as two years.