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Planning for a suitable home loan can be confusing, especially if you don't edify yourself adequately about the product. Home Loan is a deal in which a buyer borrows (from a bank or other financial institution) to purchase a property, and agrees to repay the money along with interest within a stipulated period to the lender. In this case borrower needs to pledge his home to the lender as security. Home loans are secured loans. The house acts as a collateral or security to the loan.

The growing real estate prices have made buying a property a daydream for most of us. Home Loan helps you to plan your 'dream home'. The home loan features you choose will always affect your ability to pay off your mortgage faster and the amount of money you save. The right home loan features will be dependent on individual's situation and your future finance needs, a good mortgage broker can help assess home loan features that match your needs.

Bank usually offers two types of interest rates namely: Fixed and Floating. Fixed rate of interest refers to a scheme where the EMI for the entire loan tenor is preset and does not vary with market fluctuation. Floating rate of interest refers to a format where the interest rates vary with the economic condition of the market.

Home loan may be availed for various purposes: Direct purchase from builder, purchasing resale property, home improvement, buying plot, home construction loan.

These days banks offer the opportunity to make an online application for home loan. The financier would give you a doorstep service for collecting the documents. The bank would require very simple documents at the initial stage to compute the loan eligibility. After approval, the lender would ask for pertinent property documents to substantiate that the proposed property is clear and marketable. Banks charge a non-refundable fee from the borrower at the primary stage of loan application to meet all these expenses termed as Processing fee.

The eligibility criteria are streamlined and anyone can plan to avail a Home Loan by fulfilling the bottom lines. Banks however have their own set parameters to appraise a customer. As a thumb rule, your Equated Monthly Installment (EMI) on home loan should not exceed by 40 per cent of your net monthly income. Net income means the disposable income left after all statutory deductions. But it is always advisable that you should avail a loan amount lower than your highest eligibility. You should have reserves to meet unforeseen financial crisis.

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Moneylaxmi.com a fixed platform of property loan facilitates their clients various types loan such as a [Home Loan](#), Car Loan, a [HDFC Bank Home Loan](#) which provides best deal by charging comparatively lower Home Loan Rates. Chaitali S is a Content Writer mainly writes on Finance and loans.

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