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Home Loans and Tips for the Married Couples by Crowin Smith

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Managing your finances is a difficult thing sometimes. But that story elevates to a whole new level once you enter a married life. Managing your finances as a couple can be a real challenge considering the income sources and spending habits of the husband and the wife. Most couple combine their finances to create a bigger pool of funds. Some prefer to keep their own individual accounts to keep their finances separate.

Couples who combine their finances will definitely have an easier time securing home loans. With a larger budget, they would likely be able to come up with the deposit requirement. Plus, lenders would be more willing to accommodate applications knowing that the applicants have a more stable source of funds. Having combined finances also mean less paperwork during the mortgage application.

For a couple with fixed income, a 30-year fixed rate loan would be good. Of course, mortgage comparison must still be done because every borrower has a unique circumstance. The advantage of a fixed rate loan is that you wonâ€™t have to anticipate payment increases despite the movement of interest rates in the market. This will allow couples to safely plan their finances ahead without worrying about surprise hikes in mortgage payments. Besides, the 30-year fixed rate loan would also provide the lowest monthly payment.

A mortgage comparison can also point to other types of loans aside from a fixed rate loan. If a couple goes for a variable rate loan, they can also enjoy some financial flexibility. While there is indeed the hazard brought about by the increase in interest rates, couples can take advantage of declining interest rates. When the interest rates go down, it would mean the monthly payments will also go down for those who secured a variable rate mortgage.

However, there are also some downsides for couples who are looking for a mortgage. Thereâ€™s a good chance that couples will have different individual credit scores. Lower credit scores equate to higher mortgage rates because of the risk involved in lending money to people with bad credit. When itâ€™s time for the couple to present their credit information, one individualâ€™s outstanding credit score wonâ€™t make up for his or her partnerâ€™s low credit score. And in todayâ€™s current underwriti rules, lenders will have to base the mortgage assessment on the lower credit score. This could actually jeopardize a coupleâ€™s plan to purchase a house.

For couples, the best thing to do would be to consult with financial experts and mortgage brokers. They need to bare their circumstances in order for the broker to come up with a list of the most probable choices. The information will be very crucial especially when doing a mortgage comparison because it will be the basis of the actual home loans selection.

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