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Factors to Consider Before Applying for a Home Loan by Genny Stutesman

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Having your very own home is one of the major steps in starting a family. This home will be where you will raise bright kids and grow old together with your spouse. You envision how it looks and go through real estate ads until you finally find â€œthe oneâ€•. Unless you were born a millionaire or have sufficient savings, itâ€™s time for you to consider a home loan.

Home loan is a type of loan with several purposes. It could be for the purchase or renovation of a house or for investment on a property. You can apply for a loan through banks, lending agencies and mortgage brokers. Because home loans are a kind of debt, lenders need to make sure that you are qualified and reliable. The question now is, how do you qualify for a home loan?

Job History and Stability

Before approving your loan, a lender will evaluate your job history. If you have been working continuously without long periods of unemployment for two years, it is considered as steady employment. As long as you have a consistent flow of income that is enough to pay your loan and monthly expenses, then that will be considered a factor in favor of your application.

Credit History and Score

Credit history is a record of your financial transactions. These transactions include payment of bills, borrowing and repaying, credit card history and consumer loans. Having a blemish-free credit history will increase your chances of getting a loan. Recently in Dallas home loan lenders required a good credit score to be eligible. A credit score is calculated based on your credit history that represents your financial credibility. A high credit score means less risk and it would be easier for you to qualify. Thus, paying your bills on time and avoiding debts are necessary to get a high score.

Savings for Down Payment

Down payment is a part of loans that you mustnâ€™t forget. The lender will want to see your bank statements to assess your financial status. A check needs to be done to find out if you have enough funds to cover the down payment. For Dallas home loans, lenders often do this by calling your bank and confirming how long youâ€™ve had the account. Once your financial standing is verified, you will be a lot closer to having that dream home.

Qualifying for home loans Dallas homeowners claim, may be a â€œstrict and intimidating experienceâ€•, but the rewards are priceless. For more ideas on how to qualify for a home loan, visit ehow.com/how_2209743_qualify-home-loan.html.

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