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A house is one of the most important investments you can make for yourself or your family. Because they aren't exactly cheap, mortgages are available to let you enjoy the benefits of having a good home. You can follow these tips to make your loan as stress-free as possible.

Be updated on the market

Watch the news and read the papers. Take note of important economic events that can affect mortgage rates and other interest rates. Note the overall sentiment of mortgage lenders for a certain period. Good timing is one key to a good mortgage interest rate.

Know how much your house is worth

Before you decide to get a loan, decide what percentage of your house's value can be mortgaged. Calculate how much you can afford to pay every month. A good rule of thumb is for your total monthly debt obligation which includes car loans, credit card bills and other loans "not to be over 36 percent of your monthly income before taxes.

Clean up your credit history.

Your lenders take note of your willingness and capacity to pay based on your record with previous creditors. It's possible for a person to have enough income to pay off all debts and still not pay them on time. One perk of a good credit history is lower interest rates, among others.

Decide if you want a fixed or variable mortgage rate

Speaking of interest rates, lenders can offer you fixed or variable interest rates. Fixed interest rates mean that your monthly mortgage payments are also fixed; however, to maximize the benefits of this type of interest rate, you need to time it well. For instance, if you foresee that the interest rates in Washington D.C. will go down over the long run, it's probably best to take out Washington DC mortgage rates which are variable. On the other hand, if you think rates will go up, a fixed rate mortgage helps you lock in your monthly mortgage payment to a relatively smaller amount.

Compare terms between lenders

The interest rates should not be your only consideration. Note if the lenders in your area offer other terms, such as refinancing. The option for refinance DC lenders offer lets you alter the mortgage terms, subject to certain conditions. You can switch the rate from a fixed to a variable one, reduce your monthly payments, and consolidate your debts.

These are a few of the things you can keep in mind when you apply for a mortgage, or any other loan for that matter. You must decide if the benefits of a mortgage Washington DC companies offer outweigh the costs. For more information on mortgages, read investopedia.com.

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