

## What Factors Are Involved In Acquiring a Home Loan

Your ability to be approved for a home loan is one of the most important things to consider when you are looking to buy a home. You will have to be aware of what factors will help your chances of being approved for the loan that you need. Two main factors that lending institutions take into consideration when deciding whether or to approve you for a home loan: your ability to pay off the home loan and your credit history.

For purposes of determining if you are able to pay off the loan or not, lending institutions will examine your record of employment. They will want to make sure that you have been steadily employed for a certain number of years. Working at the same firm for a reasonable period or working at the same type of job will greatly increase your chances of being approved for the loan.

They will also want to examine your current earnings in relation to your present financial obligations, taking into consideration the added mortgage payments you will be making. This factor is also known as the debt to income ratio. In order to be approved for the home loan, you must prove that you are able to manage all of these expenses. If the lender decides that you are not earning enough to be able to handle these obligations, you may still be approved for a loan, although the plan may entail a higher down payment. In some cases, you may also be required to pay more in interest costs in order to offset the possibility that you will not manage to make payments. Its a good idea, therefore, to settle as many of your financial obligations as you can before you apply for a loan.

One thing that the lender will also want to take into consideration is your willingness to pay the loan, paying particular attention to your credit record. If you have a record of making consistent and timely payments, you will have a better chance of being approved for the home loan. In addition, if you intend to live in the home that you are buying with the loan, the lender will assume that you are more likely to pay off the loan.

Keep in mind that you may be asked to provide very detailed information about your finances, especially the source of your down payment. If all the information that you give is verified as accurate, and it passes the requirements of the lending institution, you will have a greater chance of being approved for the loan. Try this [Mortgage calculator](#) |

## About the Author

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