Increase Your Buying Power

You should make sure you are in good standing to receive a loan before visiting with lenders. They are quick to shy away from borrowers who have a history of negligent payments or an excessive amount of credit.

Take the time to analyze and improve your financial situation to receive optimal buying power when you do visit an institution.

You should also go in with a budget in mind. According to property data firm ATTOM Data Solutions, the first half of 2018 saw 362,275 United States properties with foreclosure filings.

Avoid this by only viewing homes that you can reasonably afford. To get the most out of your loan, remember these tips to enhance your buying power and find your forever home.

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REAL ESTATE 101

Mortgage 101

What are the benefits and drawbacks of short- and long-term mortgages? How can you compare interest rate options? What is an ARM? Might you qualify for special government loan programs? There is a lot to work out when you're getting a mortgage. The Consumer Financial Protection Bureau breaks it all down for buyers on their website at **https://bit.ly/2EkxVfR.**

DOWN PAYMENT

A lender will take your application more seriously when you have a substantial down payment to put down on a purchase. This shows them you are committed to investing in a property and can save a large sum toward your obligations.

So, how much should you save before applying for a mortgage? According to the Lenders Network, the days of presenting at least 20 percent of a home's cost are gone. In fact, in 2016, the average down payment in the United States was just six percent.

This can still be a large chunk of money depending on how expensive the property lists for.

If a down payment is what's holding you back from making a purchase, you may also qualify for specialty programs like Private Mortgage Insurance, which allows you to qualify for a loan that you might not otherwise be able to get. Some experts recommend against PMI because it will likely increase the size of your monthly mortgage payment and only offers protection to the lender.

That said, a smart payoff plan can keep you on track to getting the benefits out of PMI. Talk with your local mortgage specialist for your best options.

REPAIR A LOW CREDIT SCORE

Your credit report is a tool used by lenders to judge the risks in loaning money. Take the time to obtain a copy and check it for accuracy before applying for a mortgage. Negative scores may not completely dismiss you getting the loan, but it can introduce special circumstances like a higher interest rate.

If you feel there are errors on your credit report, there is an avenue you can take to correct it. Under the Federal Trade Commission's Fair Credit Reporting Act, both the credit-reporting company and information provider are responsible for correcting inaccurate or incomplete information.

Simply send a certified letter to document the transaction explaining why you dispute the information and ask that it is removed or corrected. Contesters will usually hear back within 30 days. The FTC also allows citizens a free copy of your credit report once every 12 months.

RESOLVE LONG-TERM DEBTS

Another factor lenders research is the time period of your outstanding debts. Take time to pay down the loans or credit cards you have had open the longest, before applying for a loan.

HOMEWISE

Real Estate Tips and Advice

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HOMEWISE GLOSSARY

Capacity: Your ability to make your mortgage payments on time. This depends on your income and income stability (job history and security), your assets and savings, and the amount of your income each month that is left over after you've paid for your housing costs, debts and other obligations.

SOURCE: Federal Trade Commission