

## Tips for Buying Your First Home

For a first time home buyer, the process can get quite overwhelming, giving you the feeling that the financial decisions are rapidly spinning out of control. When it comes to real estate, most people don't have a lot of experience or know a lot about it. In all actuality, buying a home is actually a simple process. All you need to do is understand the basics, which will go a long way in helping you buy your very first home.

The first thing you should know is to avoid pre payment penalties at all costs. What this means is that if you buy the home and then later want to sell it before the balance of your mortgage is due, you'll have to pay a penalty. You can find a variety of great loans that don't include these types of penalties. If you find a loan that does include pre payment penalties, you should immediately turn it down and look for another loan.

You should also be on the lookout for good ARM's. If you have a good ARM, then your interest rate and monthly payment will adjust at the exact same time. This will make sure that your interest doesn't affect your monthly payment. If your interest rate does affect your payment, then you will notice the unpaid interest reflecting the overall amount of your loan balance.

You'll also want to get pre approved for your house as well. This lets the seller know that you are serious about buying, and will normally work in your favor to give an edge - which is especially handy if there are several others interested in purchasing the home. Getting pre approved will also save you a lot of time as well. If you can't get approved for a loan, you shouldn't waste your time inspecting it, trying to get a good interest rate, or negotiating with the seller for your ideal price.

Before you purchase a home, you should always be aware of how much you can afford. Before you attempt to purchase a home, you should always go over your budget and figure out how much money you can spend on a mortgage payment. If you manage your money smart and know your finances, this shouldn't take you any time at all. On the other hand, if you don't know your finances, this will take you a long time indeed.

If you've already purchase your first home, you should always avoid taking any type of home equity loan. These loans can be very tempting when you get in an emergency and need cash, although most home equity loans add up to more than the value of your home. You should never, under any circumstances take a home equity loan, as there are many other ways that you can clear up your personal problems without having to jeopardize your home.

Keep in mind that the above are just a few basic tips and that there are many other things you'll need to know before you buy your very first house. You'll need to be familiar with private mortgage insurance, special loan programs, fixed rate and adjustable rate mortgage, and several other things. Buying a home is an easy process, once you know a bit about it. If you familiarize yourself with buying a home and learn all that you can about what is involved, you'll find the home buying process to be easier than you ever thought possible.