

How To Buy Your First Home

If your about to purchase your first home, let us be the first to congratulate you! You've made a great decision.

But before you begin that home buying journey, we want to educate and inform you. That's why we have put some good information for you to allow you to understand home ownership basics.

Why Homeownership is Smarter Than Renting

Income Tax Savings: As a homeowner, you can deduct your mortgage interest from your personal income. This can really add up. That's thousands of dollars per year-in your pocket! If you add up the tax savings, you might be surprised to find out that, after you factor in tax savings, you can own a home that has more room than your apartment – and still end up paying less than you are paying right now for rent!

Home Equity: Every time you write a check to your landlord, you might as well be flushing that money down the drain. It's gone forever. But when you own a home of your own, you will be building equity in something that belongs to you. The principle you pay each month is similar to depositing money into a savings account. After many years of paying into the home, you will have a tidy nest egg saved up that you can use for emergencies, your children's education, or retirement.

Security, Comfort, and Privacy : There is a reason people call homeownership “The American Dream”. A home is something special that you can call you own. You can be proud to invite your friends and family over and show them “your home”.

The Money – How To Get The Financing You Need

Banks vs. Mortgage Brokers – You first need to understand the difference between banks and individual mortgage brokers like us. Banks handle savings accounts, car loans, investment accounts, etc....Mortgages are just one of many services they provide. We're different because we only deal in mortgage loans. We sleep, eat, and breath mortgage loans and nothing else. Would you go to a general physician to have heart surgery performed? Of coarse not. So why go to a big bank, when what you need is a mortgage specialist?

WE LOVE TO SAY YES

We don't make any money unless we can say YES. We love to say YES to people just like you. When you talk to a loan officer at a bank, you are talking to someone who gets paid regardless of whether they can approve your loan or not. There is very little motivation for them to work hard to be able to say yes to you. Commissioned Mortgage Originators are different. We only get paid if we can say yes and approve your loan. So if you are nervous about applying because you think we'll say no, you need to put your fears away and understand that we are here to help people like you get approved!

Timing is Everything : It has never been cheaper and easier to borrow money to buy a home than it is right now. Even if rates go up a bit, they will still be monumentally lower

than they were back in the 1980's, for instance. Rates are cyclical. They will start rising again, and you will have missed your chance at homeownership.

About Your Credit Score : Studies show that most Americans would rather see their dentist than have an appointment with a mortgage loan officer. The likely reason is that they are afraid of rejection – afraid of the big bad loan officer who will stamp a big red NO on their application. This is far from reality. We've heard it all and seen it all and we are willing to help you, no matter what your situation is.

Credit Problems are OK: You might be confused about how a lender determines if your credit is good enough to qualify for a mortgage loan. Let's clear up that confusion right now. Basically, if you've had credit problems in the past, we look at those problems and ask the following questions:

- a.) How far in the past are your credit problems? (i.e. – if you had multiple delinquencies on your credit card this year, you might not be able to obtain a loan)
- b.) If your credit problem is in the past, is it likely to recur again?
- c.) Is whatever it is that caused your credit problem gone, or is it still present today?
- d.) How good is the probability that you will pay your bills faithfully every month from now on?

Judgments: If you have a judgment against you that has not been satisfied, you will not be able to obtain a mortgage loan. To obtain a mortgage loan, you need to obtain title insurance. Title insurance cannot be applied against your loan if you have an outstanding judgment. If you are doing a refinance on a home you already own the judgment can be satisfied at the closing.

FICO Score: Although lenders look at much more than just your 3-digit FICO (credit) score, you should try to keep your credit as clean as possible, because the higher the score, the better. We at All Island Mortgage can use simulators on your credit report to help you get your scores increased in a very short time.

No Credit History: Even if you don't have any credit history, you can still qualify for a mortgage loan. If you have a stable income, proof of employment, a good rental history, and a small down payment, you too can qualify for a mortgage loan.

Get Pre- Approved First: All Island Mortgage offers this service free of charge. We just need about 20 minutes on the phone with you to obtain the pertinent information and we will mail or fax you your pre-approval certificate. This will enable you to shop for a home with the peace of mind knowing you can make an offer when that perfect home comes along.