

The Financial Nuts and Bolts of Getting a Mortgage



Andrew Weis

Residential Loan Officer

3301 Pacific Avenue

Wildwood NJ 08260

Direct 609.522.6023 | mobile 609.827.6228 | main 609.522.5011 | fax 609.522.4421

andy.weis@crestsavings.com | www.crestsavings.bank | NMLS#2018303

A mortgage is likely the biggest financial decision you'll ever make. Understanding the financial aspects upfront is crucial for a smooth homebuying or refinancing journey.

Here's a breakdown of the key things to consider:

- **Loan amount and down payment:** This heavily impacts your monthly payment and overall cost. Generally, a larger down payment reduces the loan amount you need to borrow, lowering your monthly payment and the total interest paid over the loan term.
- **Interest rate:** This significantly affects your monthly payment. A higher interest rate means more money goes towards interest, not paying down the principal. Factors like your credit score, loan type, and current market rates influence your interest rate.
- **Monthly mortgage payment:** This includes principal, interest, property taxes, and homeowners insurance (often bundled into escrow). Ensure this payment comfortably fits within your budget, considering other financial obligations.
- **Upfront costs:** Closing costs typically range from 2-5% of the loan amount and cover various fees like origination, appraisal, and title insurance. Factor these into your financial planning.
- **Qualifying for a mortgage:** Lenders assess your credit score, income, debt-to-income ratio (DTI), and employment history to determine your eligibility and loan amount. A strong financial profile with a high credit score and low DTI leads to better loan terms.

Here are some tips to navigate the financial aspects of getting a mortgage:

- **Shop around:** Compare rates and terms from different lenders to secure the most favorable
- **Improve your credit score:** A higher score translates to a lower interest rate, saving you money in the long
- **Budget for the long haul:** Consider not just the monthly payment but also potential maintenance costs and property taxes.
- **Get pre-qualified:** Knowing your borrowing power strengthens your negotiation position when making offers.

By understanding these financial aspects and planning effectively, you can approach getting a mortgage with confidence and make a well-informed decision for your financial future. Our lending team is here to help. Stop by, give them a call, or visit us online today.