

Find Your Best Solution By Jeff Cooper

Getting the same type of home loan that you've used in the past may not be in your best interest today. After all, your financial and life situations probably have changed since you last obtained a mortgage.

Today you can pick among many loan programs – and the variety is increasing all the time. It's important to match a loan's features to your specific needs. Here are some examples of how unique mortgages help different consumers:

1. Anna Ford wanted to live in a better school district for her children, yet she had some past credit problems because of her divorce. However, she was able to find a house in the right neighborhood.

Anna obtained a good deal, since the home needed paint and some minor repairs. She also saves money with an adjustable-rate loan that provides low monthly payments that won't change for five years.

She could've bought a costlier house – but then her adjustable mortgage rate would've moved up in less than a year. Anna was able to do the right thing for her family, without putting too much strain on her budget.

2. Darryl Smith always paid his bills on time, but didn't have any savings. However, he wanted to purchase soon – before higher rates and rising home prices made his real estate dreams unaffordable.

Fortunately, his good credit rating and potential for future earnings increases mean he's a natural candidate for 100 percent financing. Eliminating the need for a down payment allows Darryl to find a great home right away.

3. Larry James needs to refinance the loan on his rental unit in order to take some cash out of his built-up equity. But he also wants to keep his monthly payment as low as possible, so that rental income can cover it.

Interest-only payments give the flexibility Larry needs. He plans to refinance in a few years to pull cash out of the property's increased value again, and his mortgage payment won't change before then.

4. Felipe and Veronica Hernandez could pay cash for their vacation home, but they chose to obtain a mortgage instead. Now they have savings readily available for any future emergency cash needs. Getting a mortgage also required them to obtain title and homeowners insurance, which safeguard their real estate investment.

Before choosing a home loan, find out how various mortgages would affect your finances now, and in the future. Being certain that you understand your financing is a key to insuring you obtain a loan that suits you.