

## First Time Buyers

If you are a first time buyer, no doubt you will have a lot of questions to ask. First and foremost, what are the best mortgage deals for first time buyers? Should I opt for a fixed rate, a capped rate, a discount or a tracker for my first house? How do I get my first mortgage? Should I go to a bank, a building society or a specialist lender when I'm buying my first home? How much can I borrow for my first mortgage, and how much will it cost me? Buying a house as a first-time buyer is an investment. When you rent a house, the amount spent on rent goes into the pocket of a landlord. However, when you own your house, every penny you spend on mortgage repayments and improvements is an investment for your future.

Furthermore, house prices usually climb every year, and owning a house can be a fast way to build wealth. Furthermore, having your own home means having your own space.

Being a bad credit first-time buyer does not automatically prevent one from buying property, however it can make the process more difficult and mortgage loans more expensive.

The amount of money you need for a deposit will depend on a number of factors, including your credit history, the type of mortgage you want to get and the value of the property you are trying to buy. First-time buyers typically need to save over 5 per cent of the property value, although under 10 per cent of property value may attract higher lending charges. Other types of mortgage loan, such as guarantor mortgages, professional mortgages, 100 per cent mortgages and 125 per cent mortgages may not require the first-time buyer to raise a deposit.

Finding a mortgage lender can be difficult for first-time buyers. There are literally hundreds of mortgage lenders on the UK market, many of whom are actively seeking first-time buyer customers. These can include specialist mortgage lenders, high street banks and building societies and numerous smaller brokers. The first mortgage lender is not always the best choice for first-time buyers, and getting an idea of the competition can be sensible.

There are a variety of extra costs on top of simply making a monthly mortgage repayment. These include obvious external costs such as council tax and utilities, as well as a number of mortgage-related costs such as stamp duty, legal fees and valuation fees.

The total repayment period for your mortgage loan will typically be between 20 and 30 years, although this can vary. In this time the first-time buyer will repay the value of the home as well as the interest on the amount borrowed. Early on, most of the repayment is on the interest, but over time more is repaid on the capital.

Prospective first-time buyers, on going to meet their mortgage broker or lender, will be told what they have to bring along to the meeting. This can include identification, tax and income records, bank statements and payslips and evidence of other assets. The more information you are armed with to inform the lender of your financial position the better.

There are a massive variety of mortgage loans on the UK market. If you are using a mortgage broker, they should be able to help and advise you on what type of mortgage loan to choose. Please use [Mortgages.co.uk](http://Mortgages.co.uk) to search for independent information about each type of mortgage loan. The majority of first-time buyers choose fixed-rate mortgages or tracker mortgages.