



## QUESTION OF FINANCE HOMELOANS

# How do I get mortgage approval for first home?

**Q** I am one of the few people presently trying to get a mortgage to buy my first house. As I see it, house prices have fallen by 30pc to 40pc, and interest rates are also coming down so it should be easier to qualify.

Last summer, based on my basic of €50,000 per annum, I got verbal approval from my own bank for a 95pc mortgage, but they seem to have gone all shy now. How do I go about buying my first home?

**A** Due to the negative impact of the credit crunch on our economy, 95pc mortgages no longer exist and the maximum mortgage available to first time buyers is now 92pc of the purchase price of the property.

The good news is that because of the steady fall in house prices, your initial 5pc deposit is likely to now make up a far greater percentage of the total cost of purchasing your property.

As you have correctly suggested, falling interest rates will reduce your monthly repayments.

There are a variety of offers available to first-time buyers and at a time like this it is essential you select the services of a professional financial adviser

who is fully authorised by the Financial Regulator and specialises in the arrangement of mortgage facilities, who can

advise you on the various options available.

While it is always tempting to choose the cheapest mortgage available to you, equally you should ensure that you are fully aware of the various institutions' track record on interest rates as you are likely to be paying back the mortgage over a considerable period of time.

What can seem like a good deal initially can often turn out to be very expensive in the long run.

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