

Mortgages For Bad Credit | Welcome

Mortgages for bad credit

Mortgages for bad credit are becoming common these days and many of the mortgage lenders offer very reasonable financial products to help people with bad credit history. Nowadays interest rates are also low so make sure you try to secure the best deal. As with any loan, it is advisable to compare rates of few bad credit lenders in order to get a clear picture before jumping in.

While applying for a mortgage you will have your credit rating checked. For the lenders, this is a way to check how trustworthy you have been in the past with money related issues. The mortgagee will also take into account the reason for which you are applying for mortgage, your income and expenses. In other words, a thorough credit check will be done.

For bad credit mortgages, the lender usually uses a point system in order to determine your eligibility. Two major credit reference agencies, Experian and Equifax, may be used by the lenders. These agencies will know each and every detail about your financial issues. Even if any of your family members has ever had any bad credit history then it will count as a negative point against you so make

sure you check out your family history yourself first. The whole procedure is usually very speedy and often you can hear back from the lender in a day or two.

There are also lenders out there who offer credit repair deals in which you will pay higher interest. However, as you make your payments, your credit history is gradually restored. This can be an expensive option, but well worth it for the sake of your future lending ability.

When you apply for mortgages for bad credit, the lender will check your credit reports, employment history, your income, and whether you have any debt to pay. Even if you have a stable income, the existing cash will help you make large payments. Copies of canceled checks should be kept to show timely payments and bill payments.

Check all the credit history records very thoroughly by yourself and ask the financial companies to get their records verified in case of any mistake. A subprime lender is a person or institution who works with people having bad credit score so if you want to get mortgages for bad credit then you should find an expert subprime lender. However, while some of them are no doubt honest, you should always be very careful of subprime lenders who take advantage of people with poor credit history.

How difficult it is to have mortgages for bad credit? A decade ago it was extremely difficult to get a mortgage if you had a bad credit score. But now with the economic downturn, there are hundreds of thousands of people in the same boat looking for mortgages for bad credit. The options are extensive, but do always make sure to do your homework before you sit with a lender, and think hard before committing yourself to a high interest loan for the long term.

Credit Reference Agencies

When you apply for any kind of credit then you will find that the prospective lender will do a thorough credit search on your credit history. Your credit

history is held by a credit reference agency that is a licenced and regulated body which holds all your credit records. These contain details of any credit that you have applied for along with your repayment records.