



What

A mortgage is a type of loan financing that can help a borrower buy real estate.

How

With a mortgage, the borrower supplies a down payment, which is equal to a percentage of the home’s purchase price.

The lender supplies the remaining balance. This balance becomes the principal amount that the borrower will repay, along with interest, over the term of the mortgage.

Getting approved

Lenders may consider many factors in determining whether or not a mortgage application meets guidelines. Those factors may include:

- Your credit score
- The size of your down payment
- Your income, including both what you earn at your job and any income from other sources
- Your other expenses

Advantages

A mortgage may offer several advantages, including:

- Homeownership, which may help increase your overall financial security
- Investment opportunity because you may benefit if your property rises in value
- Potential liquidity because you may be able to borrow against your equity
- Tax advantages because the interest on your mortgage may be tax deductible

No matter where you are in your financial life, there are steps you can take to bring you closer to homeownership.

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