

# Mortgages How Much Can I Borrow | Welcome

## Mortgages How Much Can I Borrow?

Mortgages how much can I borrow? This is a commonly asked question especially with the present economic conditions where banks are reluctant to accept every application. The borrowing limit is decided by the bank or financial institutions after taking into account a number of factors. Credit score and financial history play an important role but other factors also come into play.

### Credit score

Mortgages how much can I borrow? The best answer to this question can be found in your credit score. The simplest answer lies in the relationship between the health of your credit score and the amount of mortgage you want to apply for. Poor credit score has fewer chances of being considered positively by evaluators than healthy credit score. Despite this simple equation, you can still manage to be considered positively with a shaky credit score. You can do that by showing signs of improvement in your credit score with an improvement rate of at least 30%. Individuals with consistently bad credit scores will be viewed in negative light by the banks but those showing signs of improvement have greater

chances.

### Financial history

How much you can borrow depends on your financial history. The answer will be in affirmative as healthy credit scores but a shaky financial past can prove detrimental for your mortgage application. If you do not have a history of delayed payments, defaults or other negative events then you will be able to proceed to the next step of mortgage application. Evaluators recommend such applications because they do not find any reasons or data to advice against its further processing.

### Extent of borrowing

Most people what to know when they are thinking of mortgages, “how much can I borrow and what is the total limit?” The extent of borrowing correlates not only to your past financial history and credit score but also on the value of your current assets, your current income and the payment plans you will agree to. If you have followed the guidelines and have positive net asset value then you can borrow as much as three times of your total net worth. You can usually borrow \$375,000 on mortgage if your net assets are in the range of \$115,000 to \$130,000. Sometimes the bank makes an exception and offers you

this amount even with net asset value lower than \$100,000. This, however, happens only in few cases and you need to plan your application while keeping the standard trends in mind.

### Discussion

A thorough discussion with the bank representatives can be helpful in improving your chances of receiving higher payments. You can present a plan of payments and on how you will finance those installments. If you are planning to start a business or taking another job then you should mention that in your application. These factors can tilt the balance in your favor and improve your chances. Some banks have special offers for clients who have shown financial promise. These offers can result in reduced installments or relatively lower interest rates for a certain period of time.

## Getting a Mortgage

How much money you can borrow on a mortgage is dependent on many different factors. The key element would be dependent on the type of property you are looking to buy and the correct type of mortgage to match this. It could be that you are buying an investment property and require a buy to let mortgage. This means that you would be able to rent out the property once it has been purchased.