5 TIPS FOR GETTING A GREAT MORTGAGE RATE IN STAMFORD, CT
by
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"Be it ever so humble…" Owning a home is a dream most Americans have. And current interest rates are making that a real possibility.

Currently, the average interest rate for a 30-year fixed mortgage is in the neighborhood of 4% (although it's expected to rise to somewhere around 4.65% by the end of 2016). While that's not the same historic low we saw a few years ago, it's still a pretty good deal.

Those interested in buying a home in Stamford, CT have been taking advantage of both low interest rates and the local housing market. In the last quarter of 2015, 173 units were sold, up 1.8% from that same period in 2014. The average home sale price in Stamford is $439,900 and appreciation is up 0.30% over last year.

If you're looking to buy in Stamford, there are ways to maximize your mortgage rate, to get the absolute lowest interest and the absolute most for your hard-earned money. It all starts with some homework, so here are five expert tips to get you up to speed.

1. Get your credit score in tip-top shape. This is where it all starts. A few numbers' difference on your FICO score can make a *huge* impact on the rate you can expect, so work to pay down debt (most lenders look for a debt-to-income ratio of 36% or less) and pay your bills on time. You can find out your score through various online resources like myFICO.com.

The best rates are available to people with a FICO score of 760 or up; the minimum that's acceptable to most lenders is 620 (some will go lower, but you'll get slammed on the interest). Spending time polishing up that number will pay off in a great mortgage rate.

One more thing: when you *do* start applying for mortgages, keep it within a 2-week window. Beyond 14 days, those credit inquiries can temporarily "ding" your score.

2. Do as much research on various mortgage *types* as you do the neighborhood. A lot of people spend more time researching potential homes and school districts than they do the mortgage product itself. A "30-year fixed" is the default, but there are many other options that may suit your situation better. Look into

shorter-term fixed-rate loans, an Adjustable Rate Mortgage (ARM), interest-only mortgages or FHA and VA loans.

3. Consider how long you plan to stay. That will influence the best type of mortgage for the situation. For instance, if you plan to sell in five years, a shorter-term loan can nab you a better rate.

4. Research the heck out of lenders. A realtor will most likely recommend a few whom she's worked with, and that's OK to start with. However, the internet is your friend here: there are tons of online resources, like Lending Tree, that bring together lenders in one place and allow you to compare. When you do call them, stick to the same day/time of day to get the most accurate comparison; interest rates can change quickly depending on the day's stock market activity.

On that same note, ask friends or family who've recently bought or refinanced a home; they may know a good local lender who fits the bill and can help you through a complicated process. If you've been with your bank or credit union for a long time, it's likely you can get the best rate with them. Another option is to go with a mortgage broker who can dig through available deals on your behalf.

5. Make as big a down payment as possible. It's suggested you put down 20% of the cost of the home (it's not mandatory, and 3%-5% is usually the minimum a lender will accept). While that may seem painful, you'll reap the benefits long-term by paying less over the life of the loan AND getting a better interest rate. Also, if you put down less than 20%, you'll likely have to pay private mortgage insurance (PMI).

When it comes to getting a great mortgage rate, the most important investment you can make is…Time. Saving for a down payment and researching every aspect of a home purchase will pay off in the very best deal.