

Considering Tampa Florida home loans

If you're thinking about purchasing your new home in Florida, you might be on the lookout for the best Tampa Florida home loans you can consider. If you already have some idea of how home loans work, you can easily get around shopping for the best lender. But, have you already zoomed in on what terms you think would suit you now and in the years to come? Will a 15- or 30-year mortgage be realistic for you? Which is more advantageous for you in the long run?

Before, a 30-year fixed-rate mortgage was the popular choice for many homebuyers but these days, the terms have become more varied as lending companies now offer 15-, 20-, 30-, and even 40-year mortgages to borrowers.

To know which Tampa Florida home loans are better, buyer should consider several factors like his ability to pay, his current source of income, his possible future sources of income, and his self-discipline in terms of finances.

If looking at a shorter term like a 15-year mortgage, the homeowner can definitely save money since he will be paying less interest during the entire duration of the loan. To simulate this, a \$100,000 loan at 8% interest will result to \$734 monthly payments not counting the taxes and the insurance. If this is spread in a 30-year mortgage, the interest alone adds up to \$264,240. With a 15-year loan, monthly payment is \$956, which adds up to \$172,080.

The interest savings on the 15-year mortgage may be attractive to some, but not to those who can't afford higher monthly payments. The more affordable monthly costs will give the homeowner more cash flow and higher security in case income troubles occur. One should therefore weigh his financial status versus the loan terms offered by any of the Tampa Florida home loans providers.

About the Author

Source: <http://www.yourfloridatips.com>