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Mortgages - Changing Times

With the ongoing credit crunch affected many areas of the financial market, many homeowners now find themselves struggling to cope with increases in repayments on loans, mortgages and other borrowing.

In reaction to these spiralling rates, lenders are raising mortgage costs in an attempt to keep the books balanced, despite two rate cuts in four months from the banks.

With increasing rates and a decreasing number of options to choose from when selecting a suitable and affordable mortgage plan, first-time buyers are now facing very difficult times when it comes to getting their foot on the first rung of the property ladder.

Those with existing [mortgages](#) can also expect to feel the squeeze as lenders struggle to cope with a market that is constantly changing.

With lenders now being cautious of mortgage applications, subsequently offering a limited amount of [mortgages](#) at fixed rates, the choice appears to be limited, but there are a few things you can look out for when searching for a mortgage to suit your budget:

- Shop around and compare prices on [mortgages](#), there are now a large number of companies offering such a service, but don't just rush into the first deal – weigh up your options, do some financial planning and budgeting to determine whether you are able to afford such a deal.
- During your search, don't discount standard variable rate mortgages. They may be more expensive, but for borrowers who are unlikely to regularly remortgage, as well as those who may be priced out of the best loans deal they could prove to be the best option.
- If you are able to it could be worth overpaying your mortgage each month. By contributing a little extra you can help to slightly shorten the life of your plan, and with lenders now offering better deals on loan-to-value mortgages it could be a good option to help bring your costs down.
- Try and leave yourself several months of planning time before you commit to a standard variable rate mortgage, this will allow ample time to find the best rate – and could lead to a better deal if the market should fluctuate.

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<http://www.articlesbase.com/mortgage-articles/mortgages-changing-times-362669.html>

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