

Should you get a home improvement loan or a construction loan?

Rather than look for a new home, why not look into a little home remodeling to help improve the look. This may not be needed if your home is relatively new or if you built it yourself as the standard is usually higher but if your home is a little older or you live in an area of strong weather patterns then it might be something worth looking at.

by RickGomez

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If you enjoy doing this type of work on your home then it shouldn't be a problem but if you do not like any type of remodeling work then it will need to be financed. A whole host of shows are now made to encourage people to carry out home makeovers themselves and are becoming very popular. Others enjoy visiting show homes and looking at the different layouts, floor plans and color schemes so if you are into that then remodeling and upgrading your home is ideal.

I imagine you would already have an idea of how you would pay for it but if you had no idea, FHA has a home improvement loan and you should seriously consider this because this could be an answer to your prayers. The FHA or Federal Housing Association can arrange loans up to twenty five thousand dollars but the beauty of their loans is they are not equity based so then can actually be greater than the market value of the home.

The loans allow for alterations to be made to the existing property, providing they are not major and for building other buildings on the land providing they are not used for living in. Complete rebuilds are therefore out of the question but it does mean that work like small rooms in the loft or basement that were started can now be finished. A major remodeling construction loan requires the payoff of any 1st trust deeds via the construction loan. This one time close construction loan provide you with a whole new loan including the money to build.

Loans like this can be insured for up to twenty years even if the property have a number of families but remember the loan is for a maximum of twenty five thousand dollars. If you have any fears about payments, do not worry as these home improvement loans have been arranged with a fixed interest payment scheme to make it easier for homeowners. If every story about the housing industry were to be believed, no-one would ever buy a home but fortunately much of this is just to scare people.

Although the information may be to create and effect, you would still be wise to listen to the news and read papers and make your own mind up about how much truth is there. Information is a good thing and it can put you in a superior position but problems occur when there is too little information. This article should provide you with enough information to know that you need to learn more about a Federal Housing Association loan before you apply.

About the Author:

California Construction Loan Specialists. Lock into today's low interest rates before you start building your new home. Specializing in the "one time close" construction, remodeling and land loans. Download a free copy of Construction Loan "Inside Secrets" (e-book). Visit the California Construction Loans site if you live in California.