Internet Helps Consumers Investigate Home Financing Options

(NAPSA)—Not only are more people moving toward online banking (62 percent, according to an American Bankers Association survey), they're also using the Internet to research such big decisions as selecting a home loan. A survey of homeowners by Wells Fargo found that nearly half visited their financial institution's website to learn more about products and services.

A home loan is one of the most important financial decisions most people will make and the difference in a few key variables can have a significant effect on your borrowing costs over the life of the loan.

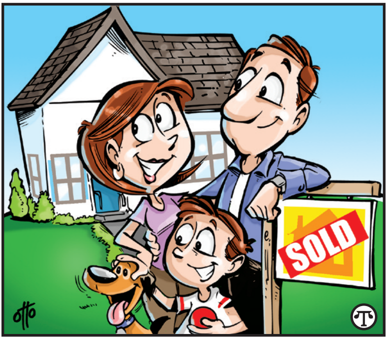
Here are a few questions and answers you may want to consider when researching your home financing options:

What type of loan do I need?

• There are two basic categories of home loans. A mortgage loan can be used to purchase a home or to refinance an existing mortgage. A home equity loan or line of credit lets you access your home's equity to fund such things as home improvements or large purchases, or consolidate outstanding debts.

What will the money be used for and how much could I borrow?

• Whether you're buying your first home, fixing up an existing home, refinancing, looking for a home equity line of credit or trying to identify ways to manage existing debt, researching how much you can borrow is an important step. Credit experts, such as the National Foundation for Credit Counseling and others, suggest spending no more than 28 percent of your monthly pretax income on housing payments, which include principal, interest, property taxes and insurance.



Knowing your goal, what questions to ask, what information and documents to have available and your credit score can save you time and money and keep you on the path toward sustainable homeownership.

Should I get a fixed- or adjustable-rate mortgage?

• Depending on your personal financial situation, either choice could be an option for you. If you're planning on staying in your home for a long time, a fixed-rate mortgage may be a good choice since it offers predictable monthly payments and guarantees that your interest rate will not increase over the life of the loan. However, if you're planning to refinance or move within a few years, an adjustable-rate mortgage (ARM) might be better. Typically, ARM loans have lower initial rates and then adjust within a predetermined range, usually annually.

Learn More

For online calculators, product comparisons, checklists, guides and other information on the entire homeownership life cycle, visit www.wellsfargo.com/mortgage/home-loans.