Ready to enter into homeownership? Follow hints from A to Z about process.

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First-time home buyers often believe the most difficult parts of buying and owning their first home is finding and securing the right mortgage.

Here, from A to Z, are tips and insight into finding the best mortgage to buy that first home:

ASK QUESTIONS. Ask on-site developers if they work with a preferred lender. Ask the lender what length of mortgage is right for your personal financial picture.

Ask your lender, realtor or home builder to explain any step of the mortgage process you do not understand.

BROKER. If you don't know a lot about home mortgage loans and you need guidance, a mortgage broker may help you decide what type of mortgage is perfect for you and your needs.

CLOSING COSTS. These are the expenses required to make the home loan as well as your down payment when you close the deal and move into your new home.

Many times, the developer or builder will pay these costs for you.

Your lender should provide you with a good faith estimate of the closing costs that will be required so you will have this cash available.

DOWN PAYMENT. Most mortgage loans require a down payment of between 10 and 20 percent of the value of the home.

There are some loan vehicles available, however, that have a lower down payment.

Some of the new mortgage loan packages require as little as 3 percent money down, thereby allowing more people to qualify for mortgages.

Remember: the higher your down payment, the lower your monthly payments.

ESCROW. This is money the home buyer deposits with a lender to pay taxes and insurance premiums when they become due.

"E" is also for employment status. When making an application for a home mortgage, your lender may ask for certain evidence that could include your employment history, pay stubs from the last quarter or income tax returns to verify your employment.

Make sure to have this documentation available.

FEES. Some mortgage lenders boost their bottom lines by tacking on a number of fees.

While some of these fees may be legitimate, others are questionable and still others are unnecessary. If you feel a fee is unnecessary or has been inflated, it is important to challenge these fees before you sign the loan papers. After you have signed your name, you may be unable to recover any of these fees.

GOVERNMENT MORTGAGE. There are two kinds of mortgages – a conventional mortgage or one insured by a governmental entity.

A government mortgage is one insured by the Federal Housing Administration (FHA) or guaranteed by the Department of Veterans Affairs (VA) or the Rural Housing Service (RHS).

HOUSING EXPENSE RATIO. Home buyers should calculate their HER, the percentage of their gross monthly income that goes for housing expenses, which includes mortgage payment, utilities and maintenance costs.

INTEREST. This is the fee the lender charges when you borrow money and for interest rate, the rate of interest you lock in when you close on your purchase.

"I" also is for Internet, which offers homebuyers tools to provide information, such as calculating mortgage payments and showing how much of your payment will go toward the principal.

These tools often are helpful in deciding the monthly mortgage payment you can afford.

JUST TAKE YOUR TIME. Your home is, without a doubt, one of the largest purchases you will ever make, so do your homework.

Find the lender that works best for you and find the best location and the house that fits your needs – now and for the next several years.

Don't get into a hurry.

In addition, go through each step in the mortgage and home-buying process, asking questions and thoroughly understanding exactly what you need to do before and after you sign on the dotted line to get that dream home.

KEEP FROM BUYING ANYTHING. Perhaps the greatest mistake home buyers make is applying for a mortgage loan and then rushing out to purchase furniture, appliances, window treatments and other items for their new home.

Every new debt will affect your ability to make a loan, so save your shopping until after you've obtained your mortgage loan, have closed on your new home and have moved in.

LOAN. The mortgage loan isn't really a loan. Instead, it creates a lien against the property you're purchasing.

Then, a home being purchased serves as the collateral for the loan.

If you don't make regular mortgage payments, the lender can repossess the home so it can recover the money they are owed.

The lien created by the mortgage means the home cannot be transferred to another party until the lien is satisfied.

MORTGAGE LOAN. There are many types of mortgage loans available, and it is important to understand the differences, advantages and dis-advantages of each type of mortgage loan.

The most common type of home mortgage loan is the conventional fixed-rate mortgage.

Financed for 15 or 30 years, the interest rate is set for the life of the loan, so you pay the same monthly mortgage payment for the entire loan.

The opposite of the fixed rate mortgage loan is the adjustable, or variable-rate, mortgage loan.

The variable-rate mortgage periodically adjusts the interest rate in response to the general direction of current interest rates.

NET WORTH. This is calculated by how much you make and your total assets, including any stocks, automobiles, savings and holdings minus any liabilities, such as what you owe on automobiles, appliances, credit cards and other loans.

ORIGINATION FEE. This is the fee charged by the lender to process your loan application. The origination fee is stated in “points” and each point is 1 percent of the total mortgage.

PREAPPROVAL FOR MORTGAGE. Getting preapproved for a mortgage gives you a firm idea of how much you can borrow.

If you know how much you can borrow and how much you have for a down payment, you can set a maximum price as you search for a home.

Another advantage? Realtors may spend more time assisting you in your home search if they know you are preapproved for a mortgage. Sellers will take any offer you make more seriously if they know you are preapproved for a mortgage. How do you get preapproved? First, select a lender. Then, sit down and discuss your financial situation and any concerns you may have.

The mortgage lender will need to verify all income information provided by the home buyer, so it is important to bring along tax returns, pay stubs and other information to support the income you are claiming.

The mortgage lender will want to see W-2 forms for the past two years, pay stubs form the last three months, and bank and brokerage statements from the last three months.

The lender will look at your credit report.

Because it is not unusual to find inaccurate information on a credit report, allow plenty of time to correct any of these inaccuracies, as they could make a difference in how much you will be approved to borrow.

The mortgage lender will take this information to approve lending up to a specific amount.

Then, the lender will tell you about monthly payments and any closing costs.

Once the paperwork is approved, the lender will issue a preapproval letter.

This letter will be provided any time the potential buyer makes an offer on a property.

QUALIFYING RATIOS. These are the standard calculations used to determine whether or not you can qualify for a mortgage loan.

There are, basically, two calculations: one is the housing expense as a percent of your income.

Your income must be enough to pay the monthly mortgage loan plus the additional expenses of owning a home (such as utilities, maintenance) and still leave enough to take care of other basic expenses, including any outstanding debts.

The other calculation is the ratio of your total debts to your income each month.

RATE LOCK. Because interest rates can change during the process of buying a home, once you’re approved for a loan, the lender will commit to a specific interest rate for a specified period of time.

SHOP AROUND. When seeking lender, don't hesitate to shop around, visiting several lenders.

Many have Web sites, so visit these sites and make notes.

Once you've decided on two or three lenders, visit or call and ask about their rates.

Then, after you've selected a lender and they've provided you with a quote, it's a good idea to get a second opinion.

In addition, check if the deal the lender has offered is really a good one by visiting other lenders and comparing their loan packages to the one you've been quoted.

Go for variety

It is important to shop a variety of lenders to make sure the interest rate you are offered is a good reflection of your credit score.

TITLE AND TITLE SEARCH. A title is the legal document that proves an individual's right to a specific property. A title search is a check to ensure the seller has the legal right to sell the property and there are no outstanding liens or other claims on the property.

UNDERWRITING. When you apply for a loan, an underwriter evaluates your application to determine the risk to the lender.

Underwriting is, actually, the analysis of your ability to handle paying back the mortgage and the quality of the property being purchased.

VA MORTGAGE. This is one form of a government loan, usually available only to veterans and those with a history of military service.

WHAT KIND OF MORTGAGE? Choosing the right mortgage is as important a decision as choosing the right home. The best deal on a mortgage loan can minimize your monthly payments and maximize the value of the investment you make in your new home.

eXPECT A LITTLE FRUSTRATION. Every new process is a learning experience and with each new experience comes frustration; especially when things aren't happening as quickly as you think they should.

Be patient. It's normal especially your first time through the process to want everything to happen "yesterday."

Don't worry. It will all get done and you'll look back on these moments of anxiety and wonder why you were so worked up.

YOU CAN ATTEND A CLASS. In the greater Houston area, many lenders, government programs and other agencies offer classes to help you get a better picture of the mortgage loan process as well as the buying process.

Take the time to attend these classes.

It's not only a good investment of your time, but will help you understand the process even more.

ZERO DOWN PAYMENT. Although a zero down payment mortgage isn't available to everyone, first-time home buyers and those with limited income may find zero down is a real option for them.

You'll also find there are government agencies that will pay your closing costs.