It's probably the biggest purchase most people make; here's a blueprint to lead you to the right home at the right price

clined to lend at 4½ percent. You might discover that despite the lower rates of FHA and VA loans, conventional financing is much better for you.

The "conventional" is more flexible. For example, you might want to set up a loan with small payments during the first few years while you're putting the children through college, and larger payments later on. Or, if you'll be retiring soon, you may want to pay large installments at first and taper off when your income has diminished. You can ordinarily do this with conventional loans, but it's not easy, and sometimes impossible, to arrange with an FHA or VA loan.

When you apply for a mortgage, you have to identify the house specifically and stipulate the selling price. If you're building, the lender will demand the plans, specifications and contractor's bid. He'll ask you many questions you might consider personal or unnecessary, but answer them frankly and fully. Attempting to conceal or misrepresent the facts could spoil your chances of getting a loan and could even get you into trouble afterward.

There will be charges and fees, the most substantial of which are grouped together under the heading, "closing costs." These charges can run from $100 to $600, depending upon locality, so be prepared for them.

While you're shopping for a mortgage loan, don't be thrown off guard by interest rates. Suppose you have to borrow $10,000 to buy your house. You want a low interest rate, of course, and plenty of time to repay. So you set your sights on $10,000 at, let's say, 4½ percent, for 20 years. Maybe you can get the loan, but 5 percent is the best available interest. You have to take it if you want the house, but there's more to it: cut your term to 15 years. Let's compare the deals to see why:

20 years at 4½%

monthly payment	$ 63.30
total payment	$15,178.70
interest totals	$ 5,178.70

20 years at 5%

monthly payment	$ 66.00
total payment	$15,838.60
interest totals	$ 5,838.60

15 years at 5%

monthly payment	$ 79.10
total payment	$14,233.40
interest totals	$ 4,233.40

In other words, the loan you were offered would cost you $659.90 more than the one you set out to get. But by cutting the term, you get a 5-percent loan that is $1,605.20 cheaper than the one you were offered—and $945.30 less expensive than the 4½-percent deal you wanted in the beginning. At the same time, your monthly payment is only $15.80 more than you expected to pay.

Remember that mortgage lending is a highly competitive business. Many different propositions probably are open to you. The only way to see that you get the least costly loan is to compute the costs and compare deals.

If you follow these three procedures (estimating how much you can afford, shopping systematically and finding your best mortgage bargain), you should be able to buy the house that's best suited for you—at the least possible cost.

ON YOUR BUDGET, HOW MUCH CAN YOU BORROW?

Find, in the left-hand column, your monthly income available for housing. The accompanying article tells you how to get this figure. Then see how much loan you can carry at various interest rates.

monthly mortgage budget	4¾%		5%		5½%		6%	
	15 yrs.	20 yrs.	15 yrs.	20 yrs.	15 yrs.	20 yrs.	15 yrs.	20 yrs.
$ 35	$ 4,499	$ 5,410	$ 4,425	$ 5,303	$ 4,279	$ 5,087	$ 4,147	$ 4,881
50	6,427	7,728	6,321	7,576	6,112	7,267	5,924	6,974
75	9,640	11,592	9,482	11,364	9,169	10,901	8,586	10,460
85	10,925	13,138	10,746	12,872	10,991	12,356	10,071	11,855
100	12,853	15,456	12,642	15,152	12,225	14,535	11,848	13,947
125	16,067	19,320	15,803	18,940	15,281	18,169	14,810	17,434
150	19,280	23,184	18,963	22,727	18,337	21,802	17,773	20,921
175	22,494	27,048	22,124	26,515	21,394	25,436	20,735	24,407
200	25,707	30,912	25,284	30,303	24,450	29,070	23,697	27,894
225	28,920	34,776	28,445	34,091	27,506	32,703	26,659	31,381
250	32,134	38,640	31,606	37,879	30,562	36,337	29,621	34,868
300	38,560	46,368	37,927	45,455	36,675	43,605	35,545	41,841