

Choosing the Right Mortgage

Years you plan to stay in the house	Recommended program
1-3	3/1 ARM, 1 year ARM or 6 month ARM
3-5	5/1 ARM
5-7	7/1 ARM
7-10	10/1 ARM, 30 year fixed or 15 year fixed
10+	30 year fixed or 15 year fixed

Loan Programs	Advantages	Disadvantages
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Fixed Rate Mortgages

30 year fixed
15 year fixed

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| <ul style="list-style-type: none"> • Monthly payments are fixed over the life of the loan • Interest rate does not change • Protected if rates go up • Can refinance if rates go down | <ul style="list-style-type: none"> • Higher interest rate • Higher mortgage payments • Rate does not drop if interest rates improve |
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Adjustable Rate Mortgages

10/1 ARM
7/1 ARM
3/1 ARM
1 year ARM
6 month ARM
1 month ARM

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| <ul style="list-style-type: none"> • Lower initial monthly payment • Lower payment over a shorter period of time • Rates and payments may go down if rates improve • May qualify for higher loan amounts | <ul style="list-style-type: none"> • More risk • Payments may change over time • Potential for high payments if rates go up |
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Balloon Mortgages

7 year
5 year

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| <ul style="list-style-type: none"> • Lower initial monthly payment • Lower payment over a shorter period of time • Many balloon mortgages offer the option to convert to a new loan after the initial term. | <ul style="list-style-type: none"> • Risk of rates being higher at the end of the initial fixed period • Risk of foreclosure if you cannot make balloon payment or if you cannot refinance or if you cannot exercise the conversion option |
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First Time Buyer Programs

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| <ul style="list-style-type: none"> • Lower down payment • Easier to qualify • Sometimes you may get lower rate | <ul style="list-style-type: none"> • May be subject to income and property value limitations • Some programs which have government subsidies may have a recapture tax if you sell the house too early. |
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Stated Income Programs

- Don't need to verify income
- Faster approval
- Higher rates
- Higher down payment

No point, No fee Programs

- No closing costs
- Less money required to close
- Higher rates
- Higher payments

Imperfect Credit Programs

- Potential for reestablishing credit if you pay your mortgage on time.
- When used for debt consolidation, you may be able to reduce your monthly debt payment
- Higher rates
- Terms may not be as favorable
- Harder to get long term fixed loans
- Loans may have prepayment penalties

Home Equity Line of Credit

- You only borrow what you need
- Pay interest only on what you borrow
- Flexible access to funds
- Interest may be tax deductible
- Rates can change.
- Payments can change

Home Equity Fixed Loan

- Fixed payments
- Interest may be tax deductible
- Higher interest rates than on 1st mortgages

Besides our standard loan programs, we also have a large number of unique programs to serve your needs:

- Purchase a house with 0 down
- Piggyback loans 80-10-10 or 80-15-5. No PMI payments even with 5% or 10% down.
- Debt consolidation programs
- Home Improvement loans
- Interest Only Options
- Qualify even if you may have been turned down before!

