



First American Title

HOME FINANCING | Solutions to help you get into a home to call your own.

Today's market features a variety of financing terms, such as 100 percent financing, interest only mortgages, hybrid loans and two-step loans with balloon payments.

Here's a quick look at advantages and considerations on today's popular loans:

15-YEAR FIXED

Advantages:

- Shorter term, home owned in half of the time of a conventional loan.
- Total interest can be lower than a 30-year fixed mortgage.

Considerations:

- Bigger monthly payment.
- Stricter qualifying because of the higher income requirement.

BI-WEEKLY PAYMENTS

Advantages:

- Loan paid off more quickly.
- Significant interest savings.

Considerations:

- Make half the payment every two weeks.
- You have to discipline yourself into a certain budget.

INTEREST ONLY LOAN

Advantage:

- The monthly payment is lower.

Considerations:

- None of the principal is being paid.
- Buyers rely on their home's value rising and on market conditions remaining unchanged.

ADJUSTABLE RATE MORTGAGES

Advantages:

- Initial lower payments.
- Initial rate usually 2 percent to 3 percent lower than a conventional loan.
- Makes home buying more affordable.
- Payment drops if interest rates drop.

Considerations:

- Payments go up if rates go up.
- Requires budget discipline to anticipate interest rate movements.

HYBRID ARMs

Advantages:

- Carries over a fixed rate for a period of time.
- The initial interest rate is typically lower than for a conventional loan.
- A five year hybrid is good for a family that needs a lower payment now and is likely to move into a different house before the adjustment period kicks in.

Considerations:

- The fixed rate could possibly adjust every year.
- Once the adjustment period kicks in, the rate could take a hike up.

Remember to seek the help of a professional Realtor[®] who can assist you with the homebuying process from beginning to end. Once you find the right home, please specify First American Title to secure your greatest investment - your new home!

Above information deemed reliable and accurate, however, not guaranteed.

