

 **JOE TRAN & ASSOCIATES**

 **[www.RWJoeTran.com](http:// www.RWJoeTran.com)**

**Fixed-Rate and Adjustable-Rate Mortgages**

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**Features**

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Your interes t rate and m onthly **principal and interest (P&I)**

paym ents rem ain the s am e for the life of your loan. Available in a variety of loan term options .

You m ay be able to add extra features s uch as **interest- only payments** or **temporary buydowns**.1

Your interes t rate and m onthly **principal and interest (P&I)**

paym ents rem ain the s am e for an initial period of 3, 5, 7, or

10 years , then adjus t annually.

Loans available in a variety of longer term s .

Includes **interest rate caps** that s et a lim it on how high your interes t rate can go.

You m ay be able to add extra features s uch as **interest- only payments** or **temporary buydowns**.

**Benefits**

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Predictable m onthly P&I paym ents allow you to budget m ore eas ily.

Protection from ris ing interes t rates for the life of the loan, no m atter how high interes t rates go.

May be a good choice if you plan to s tay in your hom e for a long tim e.

Typically ARMs have a lower initial interes t rate than on a fixed-rate m ortgage.

The **interest rate cap** lim its the m axim um am ount your P&I paym ent m ay increas e at each interes t rate adjus tm ent and over the life of the loan.

May provide flexibility if you expect future incom e growth or if you plan to m ove or refinance within a few years .

**Considerations**

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The overall interes t you pay is higher on a longer-term loan than on a s horter-term loan.

On a s horter-term loan, the m onthly P&I paym ent is typically higher than on a longer-term loan.

If you choos e an interes t-only option, you cannot build equity through m onthly interes t-only paym ents without m aking voluntary principal paym ents during the interes t only period.

Monthly principal and interes t paym ents m ay increas e when the interes t rate adjus ts .

Your m onthly principal and interes t paym ents m ay change every year after the initial fixed period is over.

If you choos e an interes t-only option, you cannot build equity through m onthly interes t-only paym ents without m aking voluntary principal paym ents during the interes t only period.