



# FIXED-RATE *Mortgages* VS. ADJUSTABLE-RATE *Mortgages*

## FIXED-RATE MORTGAGE

## ADJUSTABLE RATE MORTGAGE (ARM)

### PROS

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- Consistent monthly payments and interest rates
- Protection from rising interest rates
- Mortgage tax interest deduction\*
- Different term length options (30-, 20- or 15-year term)

- Lower initial monthly payments
- Possibility to qualify for higher loan amounts
- Interest rates and payments may decrease based on the index rate
- Good option for buyers who are planning on living in their home for only a few years

### CONS

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- Cannot take advantage of falling interest rates
- Your interest rate may be locked in when the market is high
- It can initially be more expensive
- The rate cannot be customized to a borrowers needs

- Your interest rates could unexpectedly increase
- Your interest rates are dependent upon the market
- Risk of defaulting if interest rates dramatically increase
- Terms and conditions of the loan program can be more difficult to understand

*Contact me today for more information!*



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