



Your Mortgage PLANNER

with Jamie H. Harrington, President

SHOPPING FOR A MORTGAGE

The search for a mortgage can be overwhelming. The mortgage you choose will generally depend on how long you plan to remain in the home and how you feel about having your payment change periodically. The interest rate on a fixed-rate loan remains unchanged during the life of the loan. Longer term loans require smaller monthly payments, but the shorter the term of the loan, the less total interest you will pay.

Balloon loans are worth considering if you intend to sell your home or refinance within seven years. You make fixed monthly payments for a set period, usually five or seven years, at which point the loan balance is due. Consider a balloon mortgage if you plan to sell your home before the lump sum is due. Balloon reset loans offer low initial rates. At the end of five or seven years, you have the option of paying off the balance or renewing the loan for 25 or 23 years, normally at a slightly higher rate than the prevailing fixed-rate loan. Adjustable-rate mortgages or ARMs typically have rates that change every one, three, or five years. The monthly payments start low, usually two percentage points below fixed-rate loans, but your rate and payments can then rise or fall depending on changes in other interest rates.

If you would like to discuss what type of mortgage loan will work best for you, call Jamie Harrington at 828-632-0650 for an appointment. United Carolina Group, Inc., is located at 340 NC Highway 16 South, Taylorsville NC 28681.

www.unitedcarolinagroup.com