

Loan Types to Consider

When exploring mortgage options to find the best fit for your needs, it's essential to understand the variety of loans available:

Fixed-Rate Mortgages: These loans lock in your interest rate for the duration of the mortgage. Opting for a 15-, 20-, or 30-year term affects your monthly payments and the total interest paid over the life of the loan. Longer terms offer lower monthly payments but result in higher overall interest costs. Fixed-rate mortgages are typically recommended when current interest rates are low.

Adjustable-Rate Mortgages (ARMs): ARMs begin with a lower interest rate, which can change over time based on market conditions. These loans often include rate caps to limit adjustments, making them suitable when initial fixed rates are high, or if you anticipate an increase in future income.



Balloon Mortgages: Featuring very low interest rates for a short initial term (usually 3 to 7 years), these mortgages require payments that often only cover interest, leaving the principal balance unchanged. This option might appeal if you plan to sell your home soon.


Government-backed Loans:

- **FHA Loans:** Backed by the Federal Housing Administration, these loans are great for first-time homebuyers, offering lower down payments (3.5%) and more lenient qualifying criteria.
- **VA Loans:** Available to veterans and active military, these loans require no down payment and provide favorable terms.
- **USDA Loans:** Aimed at rural homebuyers, offering 100% financing and reduced mortgage insurance. Not available in Maricopa County Arizona currently.

Conventional Loans: These are not insured by the government and may require higher down payments and credit scores but offer more flexibility in terms and property types.

For more information or assistance, contact me: Erica Anderson @ Real Premier Team powered by RE/MAX Fine Properties

 Phone: (480) 599-6811 |  Email: Erica@RealPremierTeam.com

 Visit my website: www.RealPremierTeam.com

All rights reserved. Information is for personal use only and not intended for legal or financial advice.



Jumbo Loans: For properties that exceed the conventional loan limits, jumbo loans are necessary, demanding higher down payments and credit scores.


Builder Loans: Tailored for new home construction, these loans can cover both construction costs and transition into a standard mortgage, simplifying the process.

FHA 203K Loans: Ideal for properties needing repairs or renovation, this loan combines the purchase and renovation costs into one loan, facilitating easier management and financing.

Choosing the right mortgage depends on your financial situation, future plans, and the current market. Each type offers different advantages and considerations. For personalized advice, consulting with a mortgage specialist is highly recommended.

For more information or assistance, contact me: Erica Anderson @ Real Premier Team powered by RE/MAX Fine Properties

 Phone: (480) 599-6811 |  Email: Erica@RealPremierTeam.com

 Visit my website: www.RealPremierTeam.com

All rights reserved. Information is for personal use only and not intended for legal or financial advice.