



Real Estate Times

with Suzanne Dingley

LINGO OF THE LOAN

Your real estate agent may not write your home loan, but that's who will probably be there when you begin discussing mortgage options. Knowing some of the nuts and bolts before you start your home search can help you find the right loan.

Factors affecting your terms are the amount, the length of the loan, and the loan-to-value ratio (how much of the home's value you are financing). Larger loans carry more risk to the lender, so the interest rate may be higher.

Similarly, a smaller down payment represents more risk, possibly warranting a higher interest rate. Get the best rate by putting down as close to 20% as possible.

The difference between a 15- and 30-year loan is also critical. Payments for a shorter term will be larger, but

you'll build equity much faster, and enjoy a slightly lower interest rate.

Also understand the workings of an adjustable rate mortgage (ARM). You need to be fully prepared for what may happen to your payments after the first adjustment. However, something like a 5/1 ARM (a fixed rate for five years and an adjustment each year thereafter), could be a good idea if you're buying your first home and don't plan to stay longer than five years.

Discuss your hopes and objectives with an agent who can help guide you down the road to homeownership.

*For responsible service in all your
Real Estate needs, call*

The Suzanne Dingley Team

640-4205

suzannedingley.com

Free consultation

