



Alternative Mortgages

There's a lot more out there than your father's 30 year fixed rate mortgage. There are loans for people who expect their incomes to rise significantly, there are loans for people with little or no down payment and there are loans for people who plan to move in a couple of years.

Talk to your loan officer about your situation. Chances are that there is a loan program out there that will fit you better than a conventional 30 year fixed rate mortgage.

The Hybrids are coming...

Hybrid ARMs are adjustable rate mortgages that have an initial period of several years (usually 3 to 10) in which they have a fixed interest rate, then they act like a regular ARM that adjusting annually.

These types of ARMs can save you a lot in interest in the early years and help you to pay down some additional equity. The most common ARMs are 3/1, 5/1, 7/1 and 10/1. People who plan to relocate or will be moving to a larger home in a few years should seriously consider these hybrid ARMs.

Got the Down Payment Blues

The Alt 97, Flex 97 and Flex 100 programs backed by Fannie Mae and Freddie Mac are becoming increasingly popular. These programs require 3% and 0% respectively down payment and as little as \$500 toward the closing costs. There are also FHA insured loans that only require 3% and are very flexible about the source of your 3% down payment.

Interest Only

There are interest only loans that only require the borrower to pay the interest on the loan for the first few years. These are good for borrowers whose incomes are very variable. When money is tight, only the interest is required and when you're feeling rich, you can pay principal and interest. If you're confident that your income is going to increase over the next few years, these loans can get you into a larger home now than you could afford with a conventional loan.