

# News You Can Use

Tools for Corporate Executives

## Information on Mortgages Available

- 30-year fixed-rate mortgage (conventional loan)
  - 360 monthly payments of equal size
  - Interest rate that remains constant throughout the life of the loan
  - Available in the lower 48 states for up to \$300,700; Hawaii and Alaska limit is \$451,050
- 15-year fixed-rate mortgage
  - Larger monthly payment than 30-year mortgage, but offers lower interest rate
  - Significant reduction in interest costs paid over the life of the loan
- Jumbo loan
  - Essentially a 30-year mortgage that exceeds the conventional amount of \$300,700
  - Considered riskier and interest rates tend to be higher
- Adjustable-rate mortgage (ARM)
  - Fixed interest rate, which is usually lower than the 30-year rate
  - Interest rates usually adjust within six months to three years
    - Causes mortgage payment to rise or fall at the time of the adjustment
    - Normally have lifetime interest caps to judge maximum risk