

SAMPLE MORTGAGE COMPARISON

(Not actual loans available)

Sample Loan Amount \$200,000 – 30-Year Term – Interest Rates For Example Purposes Only

	Traditional Fixed Rate Mortgage (7%)	5-Year Interest-Only ARM (initial rate 7%; maximum rate 12%)
REQUIRED MONTHLY PAYMENTS		
Years 1-5	\$1,331	\$1,167
Year 6 – if rates don’t change	\$1,331	\$1,414
Year 6 – if rates rise 2%	\$1,331	\$1,678
Year 8 – if rates rise 5%	\$1,331	\$2,094
EFFECT ON LOAN BALANCE AND HOME EQUITY		
After 5 Years, How Much Will You Owe?	\$188,263	\$200,000
After 5 Years, How Much Home Equity Have Your Loan Payments Built?	\$11,737	\$0