

Too Many Mortgage Options Confusing You? Consult Your REALTOR®



When it comes to mortgages, today's home buyers have more options than ever before. But some of these financing alternatives can put unsuspecting consumers at risk. Now more than ever, home buyers need the help of an experienced REALTOR® to help them navigate the complex waters of mortgage lending and creative financing.

"There are many new mortgage products offered today, but not all of them work for all buyers, and some carry considerable risk,"

says MCAR President Kathy Opperman, of CENTURY 21 Alliance. "Because mortgages are central to real estate transactions, REALTORS® are uniquely positioned to provide guidance that will help home buyers make informed choices about what mortgages are right for them. Their knowledge of the local market and access to financial resources are just two of the ways that REALTORS® add value to the real estate transaction."

Understanding Traditional Mortgages

Many lenders now offer specialty mortgages that help make homeownership more affordable but have risks that consumers should fully consider. But for most consumers, the traditional fixed-rate mortgage and adjustable-rate mortgage (ARM) continue to be excellent options. However, even these traditional financing options require a number of important decisions. Should you get a 15- or 30-year loan? Should you get a fixed-rate mortgage to lock in today's interest rates for the term of

the loan or take an adjustable-rate loan with a lower current rate and payment, but with the risk of rate and payment increases in the years ahead?

Understanding Specialty Mortgages

In many housing markets, home prices have risen to very high levels, making it harder to afford a home - especially for first-time home buyers. A growing number of home buyers are deciding to use one of several new types of specialty mortgages that let them "stretch" their income so they can qualify for a larger loan. Specialty mortgages often begin with a low introductory interest rate or payment plan - a "teaser" - but the monthly mortgage payments are likely to increase a lot in the future. Before you choose one of these mortgages, make sure you talk with a REALTOR® to understand their risks and how they work.

In addition to the assistance REALTORS® can provide, the Montgomery County Association of REALTORS® (MCAR) encourages you to do your own homework. That's why two new brochures have been added to its online Consumer Buying or Selling Resource Library. Produced jointly by the National Association of REALTORS® and the Center for Responsible Lending, the *Traditional Mortgages: Understanding Your Options* brochure and the *Specialty Mortgages: What are the Risks and Advantages?* brochure will help you learn the "ins" and "outs" of traditional mortgages and specialty mortgages.

Download your copy of these brochures today by visiting the [Buying or Selling Resources Library](#). And once, you've reviewed the brochures, talk to a REALTOR® to learn about the financing options that are best for you.

Information furnished by the Montgomery County Association of REALTORS® and the National Association of REALTORS®.