

Adjustable Rate Mortgages

Low Short Term Payments

Adjustable Rate Mortgage is a type of mortgage offers a much lower initial interest rate, and lower monthly payments than a conventional fixed rate mortgage. But when the term is set to re-set the interest rate can also go up and so your monthly payments will also increase. After an initial term, the interest rate will re-set periodically to keep the rate in line with current market interest rates. For example, a 3/1 ARM loan offers a fixed rate for the first three years. The interest rate adjusts once a year there after. 5/1, 7/1, or 10/1 ARM loans offer a fixed rate for the first five, seven or ten respectively, adjusting yearly there after. This is a mortgage loan that is subject to changes in the interest rate. When the rate changes, your monthly payment can increase or decrease depending on the rate as determined by the lender. You get a lower starting interest rate in exchange dictated by the market, for taking the risk that rates may rise in the future. Most ARM loans have caps on how much the rate can increase or decrease. Request a Free Consultation or Apply Now

No Application Fee, No Obligations