



MORTGAGE EQUITY GROUP

The MEG Loan Solutions

Fixed rates mortgages, balloon loans, ARMs, negative amortizing loans, interest-only loans, interest-deferred loans, “hard” and “soft” prepayment penalties, point buydowns....

The list of loan terms goes on and on.

But what does it all mean?

Indeed, the home loan process can seem complicated and overwhelming, and with such a wide range of options to choose from and industry lingo being thrown about, how does a homebuyer know what loan is the *right* loan? The Mortgage Equity Group works with its clients to simplify the process and answer any question in plain English. And though the list of choices might at first seem overwhelming, a person’s plans and needs determine the loan solution. For instance:

- Adjustable rate mortgages (also called ARMs) are generally for homebuyers who do not plan on keeping the home for more than two years. These loans lock in a low interest rate and monthly payment for only a short period of time (usually three years), after which time the interest rates adjust, usually upward, and payments increase. This type of loan offers short-term appeal but is usually not the right loan for people who plan to keep a home for many years to come.
- With fixed rate mortgage loans, the interest rate and the mortgage monthly payments remain fixed for the period of the loan, a better option for borrowers who plan to live in their homes for 15 years.

And what about prepayment penalties? Shouldn’t I avoid those at all costs? When helping our homebuyers find the perfect loan, we also consider “hard” and “soft” prepayment penalties included in the loan terms, as sometimes we can use them to our advantage. Through our annual review we help our clients determine whether a prepayment is a viable and cost-effective option.

How about points? Contrary to popular belief, which holds that buyers are best served in securing a loan at zero points, paying points might save you tens of thousands of dollars over the life of the loan, depending on how long you plan to stay in your home. But to be sure, paying points isn’t for everyone, as the Mortgage Equity Group explains in detail when helping you choose the right loan.

In short, the Mortgage Equity Group is committed to walking you through your many different loan, payment, and interest rate options. We simplify the process by

explaining the industry lingo in layman's terms, identifying the strengths and weaknesses of each loan, and helping you choose a loan that best fits your needs and helps you realize your long- and short-term goals. During this and all other phases, we make sure that our team members are available to answer any of your questions so that you enter your loan not only excited, but also confident in your choice.