

Types of Loans

Adjustable Rate Mortgage	Adjustable rate mortgages have an interest rate that is adjusted at certain intervals based on a specific index during the life of the loan.
Balloon Payment Loan	A fixed rate loan that is amortized over 30 years but becomes due and payable at the end of a certain term. May be extendible or may roll-over into another type of loan.
Buy-Down Loan	Buy-Down loans are fixed rate loans where the interest rate and the payment are reduced for a specific period of time by paying the interest up front to subsidize the lower payment.
Community Homebuyer's Program	A fixed rate loan for first time buyers with a low down payment, usually 3-5%, no cash reserve requirement and easier qualifying ratios. Subject to borrower meeting income limits and attendance of a four hour training course on home ownership.
Conventional Loan	Conventional loans are sometimes more lenient with the appraisal and condition of the property. When you are buying a "fixer upper" you may need to use a conventional loan. Homes purchased above the FHA loan limit of \$152,356 are usually financed with conventional loans.
FHA Loan	FHA loans are insured by the Federal Housing Administration under H.U.D. They offer a low down payment and are easier to qualify for than conventional loans.
Fixed Rate Loan	A fixed rate loan has one interest rate that remains constant throughout the life of the loan.
Graduated Payment Mortgage	A fixed rate loan that has payments starting lower than a standard fixed rate loan, which then increases by a predetermined amount each year for a set number of years.
Non-Qualifying Loan (Assumable)	Non-Qualifying loans are preexisting loans which can be assumed by a buyer from the seller of a property without going through the qualifying process. The buyer pays the seller for their equity and then starts making payments.



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