

MORTGAGE RATES 101

CONSIDER ALL THE FACTORS BEFORE CHOOSING.

In the marketplace today, you can choose from two mortgage rates – fixed or variable. Are you comfortable with some risk in order to possibly save some money in the long run or prefer the peace of mind that comes with stability? These among other factors are important to consider before deciding between fixed or variable.



FIXED RATES



VARIABLE RATES

Mortgages with fixed rates will not experience any change or fluctuation in the amount paid towards interest and principal during the term of the mortgage as the rate is locked.

Essentially, fixed rates provide consistency and stability to the borrower (no surprises here).

Variable rates may either increase or decrease during the term of the mortgage. Your lender will either provide you with a premium rate or discount rate.

Due to the fluctuating nature of the prime rate, the borrower must be comfortable with some risk.

FIXED

PROS.

- Offers stability.
- Eases budgeting anxiety.
- Interest rate and payments are locked.

CONS.

- Does not offer flexibility.
- You pay more because you have a higher interest rate.

VARIABLE

PROS.

- Save some money.
- Pay off your mortgage faster.
- Financial flexibility.

CONS.

- Financial uncertainty.
- You will have to pay extra in the event the prime rate increases.

STILL NOT SURE WHAT MORTGAGE RATE IS RIGHT FOR YOU?
CONTACT ME TODAY!