

Loan Options & Descriptions		
Conventional Loans & Loan Terms	Advantages/Disadvantages	Suitable for?
Fixed Rate Mortgage (FRM): 15 Years	Lower Tax deduction and higher Monthly Payment	For those who want an early Pay-off, have plans for retirement, and prefer a stable fixed payment
FRM: 30 Years	You will pay more interest over a longer term of the loan	Good for first time homebuyer or the one who seeks fixed payments and wish to stay in home for a longer time. Useful for consumers who prefer stability in fixed payments
80/20 Financing (80% First Mortgage, 20% Second Mortgage)	Can get Tax Benefits, but Second Mortgages are more expensive and have shorter loan term; risk can be high sometimes	Apt for borrowers with better income sources, who want to build home equity faster
80/15/5 Financing (Here, 80% is First Mortgage, 15% Second Mortgage and 5% is the Down Payment)	Comparatively it is expensive but you will have tax benefits	With good earnings; If you want to build Home equity faster. Can pay small amount for down payment
Hybrid Loan (Payment is set for the first 3, 5, 7 or 10 years)	After a fixed period, you can convert to an ARM, which would result in higher monthly payments after the fixed period.	Those who wish to stay in home for a shorter period; want lower initial rates; plan to refinance before adjustment period, and ready to bear significant rise in monthly payments in near future
Interest Only Mortgage	It enables you to pay interest at regular intervals until the loan's maturity, while the full loan balance is due.	Can get lower monthly payment initially; comfortable with future rise in payments; plans to stay for a short period
Government Loans & Loan Terms	Advantages/Disadvantages	Suitable for?
FHA Loan	Here, the maximum loan limit is set by geographic area and you can avail two types of mortgage insurance	For those with high debts and first time homebuyers
VA Loan	Only veterans are eligible to apply; has maximum loan limits; you need to pay funding fee required	Only for veterans or active duty members; widows are also eligible in some cases