

Mortgages

Shorter Is Not Always Better

In recent years, the 15-year mortgage has gained in popularity for many homebuyers. But, a 15-year mortgage may not always be the *best* choice, particularly for those buying their first home. Deciding you want a 15-year mortgage before you have decided on the place you want to buy can limit your buying power. You may not qualify to buy as “much” house with a 15-year mortgage as you can with a 30-year mortgage loan. And, even though the interest rate may be lower for the 15-year loan, the payments will be higher. For many first-time homebuyers, it may make more sense to take out a 30-year mortgage and make additional mortgage payments when possible. That way, the homeowner is not obligated to pay a higher mortgage amount and can choose to do so only when he or she sees fit.

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