

FHA ONE YEAR ARM

VS 30 YEAR FIXED
WORST CASE SCENERIO

Loan Amount

\$124,500

8.50%

		ARM P&I	Annual Savings		30 YR. P&I
1st 16 Mo. Min.	6.00%	\$746.44	\$3,373.71	8.50%	\$957.30
2nd Year	7.00%	\$828.30	\$1,547.95	8.50%	\$957.30
3rd Year	8.00%	\$913.54	\$525.12	8.50%	\$957.30
4th Year	9.00%	\$1,001.76	(\$533)	8.50%	\$957.30
TOTAL SAVINGS BY YEAR 5			\$4,913.29		

FACTS

1. Qualify at first year rate. This rate in effect for up to 18 months but no less than 16.
2. 1% Annual 5% Life cap with a 2.00% Margin added to the 1 Yr. Treasury Securities, No Negative.
3. Downpayment, Mlp, Qualifying, Assumability, etc. all the same as FHA Fixed.
4. At the end of approximately 4.4 years your minimum savings (shown above), would be a definite cost-to go with a fixed rate loan. Can you afford to go FIXED??????