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may offer a lower starting rate than a comparable 30-year fixed mortgage, which is the reason borrowers may want to take an ARM over a fixed-rate mortgage. After the introductory fixed-rate period, the interest rate will begin adjusting at a regular periodic time frame, typically one adjustment per year until the loan is paid off. During the adjustable rate period, the rate can go up or down, depending on market factors. ARM loans can be helpful to investors or home owners who know they will keep the property for a limited period of time or who are savvy enough to be able to play market fluctuations to their benefit. These products can be complicated to understand and require spending some time with me on the phone or in person to fully understand whether or not these options are the best ones for your particular situation.

Mortgage Loan Products/Balloons — Balloon mortgages are similar to Adjustable Rate Mortgages, ARMs, in that the interest rate is fixed for an introductory period of 1, 3, 5, 7, or 10 years and may offer a lower starting rate than a comparable 30-year fixed mortgage. The difference between a Balloon and an ARM is that after the introductory fixed-rate period, the Balloon loan will require the borrower to pay off the loan in full, either by paying off the remaining principal balance using the borrower's existing funds, refinancing the loan to pay off the Balloon loan, or selling the property to pay off the Balloon loan. Balloon loans can be helpful to investors or home owners who know they will keep the property for a limited period of time or who are savvy enough to be able

to play market fluctuations to their benefit. These products can be complicated to understand and require spending some time with me on the phone or in person to fully understand whether or not these options are the best ones for your particular situation.

On a different note, the **new website** is finally live! Please feel free to check it out and let me know if you have any questions, comments, or feel like leaving reviews for me. I am trying to get with the times and finally have a *Yelp*® page. To leave a review for me, go to "About Vic" in the top navigation and then click on "Reviews." This link will take you to a page that allows you to write a review for me on *Google*®, *Facebook*®, and *Yelp*®. Thanks in advance to all of you who continue to support the work I do.

As always, your loan guy,
Viral (Vic) Joshi

P.S. If you want to get more timely market updates, I have a weekly newsletter that goes out via e-mail. E-mail me, **viral@vicjoshi.com**, so that I can put you on the mailing list.

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Vic's

Mortgage Report

"Home of Free Mortgage Consultation"

Viral (Vic) Joshi

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Hello Friends,
Interest rates are beginning to rise slightly and are currently back to their worst levels of the year, last

touched on in May. By the time you get this update, the Federal Reserve will have likely increased their target interest rate, the Fed Funds, another .25% with one more likely increase to happen at the December meeting. Since we are still in an increasing rate environment, I want to take this moment to refresh you all on products in the market that are alternatives to fixed-rate products, such as ARMs and Balloon mortgages. When rates start to rise, alternate lending products can help some borrowers bridge the gap until the next rate drop happens, which *will happen* eventually.

Mortgage Loan Products/ARMs

— Adjustable Rate Mortgages, ARMs, are typically mortgages where the monthly payments amortize over 30 years, but the interest rate is not fixed over that entire 30-year term. These loans usually have a fixed interest rate for an introductory period of 1, 3, 5, 7, or 10 years. The interest rate during the introductory period

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