

What Home Loan Is Right for Me?

Harborstone offers many options for home loans. The below information shows you the features, benefits, and considerations for each available option to help you determine the right home loan for you and your family.



FEATURES			
Conventional Fixed Rate Mortgage	Conventional (ARM) Adjustable Rate Mortgage	VA	FHA
<ul style="list-style-type: none"> • Fixed rates available with a variety of loan terms • Low down payment option 	<ul style="list-style-type: none"> • Special financing available for home purchase • No down payment required • Interest rate and monthly P&I payment remain the same for an initial period of five years and then adjust every five years thereafter 	<ul style="list-style-type: none"> • Provides financing for qualified veterans, reservists, active duty personnel, or eligible family members • Has low and no down payment options • One-time VA funding fee usually required (can be financed) • Available in a variety of fixed rate and adjustable rate loan options • Allows closing costs to come from a gift 	<ul style="list-style-type: none"> • Available for a variety of loan terms and a variety of fixed and adjustable rate loan options • Has down payment option as low as 3.5% of sales price • Gift can be used for all or a portion of the down payment or closing costs • Requires upfront and monthly FHA mortgage insurance premiums

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BENEFITS			
Conventional Fixed Rate Mortgage	Conventional (ARM) Adjustable Rate Mortgage	VA	FHA
<ul style="list-style-type: none"> • Predictable monthly P&I payments • Protection from rising interest rates for the life of the loan • May be a good choice if you plan to stay in your home for many years 	<ul style="list-style-type: none"> • Program has <i>no down payment</i> and <i>no mortgage insurance</i> • Typically ARMs have lower initial interest rates than fixed rate mortgages • The interest rate cap limits the maximum amount your interest rate may increase at each adjustment and over the life of the loan • May provide flexibility if you expect future income growth or if you plan to move within a few years 	<ul style="list-style-type: none"> • Provides a wide range of rate, term, and cost options • No monthly mortgage insurance required • Provides the potential for no or minimal out-of-pocket expenses 	<ul style="list-style-type: none"> • Requires less cash upfront for down payment and closing costs • Available for most income levels • Allows a co-applicant to help you qualify, even if the person doesn't live in the home

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CONSIDERATIONS			
Conventional Fixed Rate Mortgage	Conventional (ARM) Adjustable Rate Mortgage	VA	FHA
<ul style="list-style-type: none"> • Overall interest you pay is higher on a longer-term loan than a shorter-term loan • On a shorter-term loan, the monthly P&I payment is higher than on a longer-term loan 	<ul style="list-style-type: none"> • Monthly P&I payments may increase when the interest rate adjusts • Monthly P&I payments may change every five years 	<ul style="list-style-type: none"> • Often requires a one-time VA funding fee that can be financed into the loan amount • 	<ul style="list-style-type: none"> • FHA loans have the benefit of low down payments, but other loan products are available with the same option • You may find FHA to be a more expensive financing option that should be considered only after thoroughly evaluating all other product options that meet your credit qualifying and financial needs • Financing is for your primary residence only