



Fix High Interest rates with and Adjustable Rate Mortgage (ARM)

While most buyers choose the standard 30-year, fixed rate mortgage, an adjustable-rate mortgage (ARM) can be a smart alternative, especially when rates are rising...like now.

While rates for fixed-rate mortgages continue to climb, rates for ARMs have fallen. According to the Mortgage Bankers Association's index, our market recently saw a run on ARMs that pushed mortgage application volume higher.

Earlier this month, the average rate for the 30-year, fixed-rate loan increased from 7.53% to 7.67% for buyers putting 20% down. But average rates for 5/1 ARMs fell from 6.49% to 6.33%. This caused loan applications for new purchases to rise by 1%.

If you're unfamiliar with ARMs, give me a call and I'll go over the basics with you, including the types of buyers who could be a good fit for this loan.