



Agyrtis Lending

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Latest Consumer Mortgage Rates

Mortgage interest rates for single-family rental properties typically are 150 bps to 300 bps higher than consumer mortgage rates. In other words, if the equivalent consumer mortgage rate is 3.25%, the rate for a single-family rental property will be 4.75% to 6.25%. The tables below provide recent consumer mortgage rates. Below the tables, we explain the key reasons that interest rates tend to be higher for single-family rental properties than for owner-occupied properties.

Why Interest Rates Are Higher On Investment And Rental Properties

Higher risk is the simplest explanation for why interest rates on investment and rental properties are higher than on owner-occupied properties. The reasoning goes something like this -- an owner-occupier will do everything in their power to make timely payments on their home mortgage to protect their source of physical shelter. While investors, too, are emotionally attached to their investment and rental properties, the market perceives that investors are more likely to walk away if a deal turns South. The historical performance data supports the market's perception.

The Math Behind Investment Property Rates

Below, we compare some of the key metrics on a \$300,000 30-year mortgage for a consumer and an investor:

	Consumer	Investor
Interest rate (%)	3.5	5.0
Monthly principal & interest	\$1,347	\$1,610
Total payments	\$485,005	\$579,987
Total interest paid	\$185,005	\$279,987

*this scenario is for illustration purposes only call for rate and terms which apply for your specific investment opportunity

In the above example, the investor's interest rate is 1.5% or 150 basis points more than the consumer rate. The investor's monthly payment will be \$1,610, which is \$263 or approximately 30% more than the consumer's monthly payment. Over the life of the loan, the investor will pay more than 50% more in interest than the consumer.

It is an interesting question of whether investors present that much more risk than a consumer. Part of the explanation goes to the fact that the U.S. government plays an extremely active and supportive role in the U.S. consumer mortgage market. But for the U.S. government's support of the U.S. consumer mortgage market, consumer mortgage rates likely would be higher and thus the gap to investor mortgage rates likely would be smaller.

There are quite a few options which we can discuss which is the best fit for your particular rental investment strategy.

To your success, Tracy Horn



Are you positioned to take advantage of the vacation rental market?

We offer asset based financing for the following closing between 14-45 days upon receipt of complete loan package:

- Fix & Flips
- Air B&B Vacation Rental Properties
- BRRRR
- Long Term Rental properties
- Refinance to Perm
- Commercial
- Multi-Family
- Mixed Use
- Business/SBA
- Merchant Cash Advances

Call to discuss options to fit your needs, 970-471-5641 www.agyrtis.com

Agyrtis Loan Applications

Market Update

Latest News

Are you open to the opportunities the evolving real estate market are presenting? Investors around the country are posturing to capture their desired market share. Here is a link to last weeks market update from the National Association of Realtors:

<https://www.realtor.com/news/real-estate-news/july-existing-home-sales-fall-for-the-sixth-straight-month-realtors-see-housing-recession/>

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Agyrtis Lending assist you to stay on track offering pre-qualifications. By providing a letter to accompany your real estate offers, this gives you buying power over other offers which don't include a lenders letter.

Our professional team has been helping with a variety of financing needs ranging from new home purchases, fix & flips, rental property acquisition, business equipment acquisition, business building refinance, developer new construction to subdivision financing to name a few.

Log in to www.agyrtis.com complete the loan application and forward the items on the needs list then we can quickly analyze your borrowing power. We are honored to enhance our borrowers success and are excited to help you grow!



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