



ADJUSTABLE RATE MORTGAGES (ARM)

These loans generally begin with an interest rate that is 2-3 percent below a comparable fixed rate mortgage, and could allow you to buy a more expensive home.

However, the interest rate changes at specified intervals (for example, every year) depending on changing market conditions; if interest rates go up, your monthly mortgage payment will go up, too. However, if rates go down, your mortgage payment will drop also.

There are also mortgages that combine aspects of fixed and adjustable rate mortgages - starting at a low fixed-rate for seven to ten years, for example, then adjusting to market conditions. Ask your mortgage professional about these and other special kinds of mortgages that fit your specific financial situation

[More ARM Information](#)