

15 & 30 Year Fixed Rate Mortgages

Product Overview

The predictability of fixed rate mortgages make them the most popular loan option available to consumers. According to Freddie Mac, 96% of first-time homebuyers choose either a 15 or 30 year fixed rate mortgage when buying their home.*

The principal and interest payment remain the same throughout the life of a fixed rate loan. Fixed terms are offered in 5-year increments from 10 to 30 years, but 15 and 30 year terms are the most common. The financial stability of a fixed rate loan makes long-term financial planning easy for buyers because they know their payment will not change.

The Most Frequently Asked Question

Q What are the pros and cons between the 15 year and 30 year term?

A Simply stated, a 15 year mortgage means you pay less interest in the long run, while a 30 year mortgage means you have a lower payment month to month.

If you pay off your mortgage in 15 years instead of 30, you can expect your payments to be about 50-60% higher than they would be otherwise. Higher payments let you build equity faster, own your home in half the time, and save you money because you'll pay less interest through the life of the loan.

On the other hand, higher payments can be more risky. A 30 year term with lower monthly payments can act as a financial safety net if your income ever changes, even though you'll pay more money overall for the same amount of principal.

Remember, a higher payment isn't always bad and a lower payment isn't always good. A member's personal circumstances, finances, and goals must be considered in order to properly answer this question.



Member Benefits

- Predictable payments
- **15 year:** build equity faster and save money long term
- **30 year:** lower monthly payments and less risk if your income changes in the future.



Questions to Consider

- Do you want to guarantee your payments will never change?
- Can you afford (and do you want) a higher monthly payment in order to save money in the long run?



MEMBER
ADVANTAGE
MORTGAGE

*Source: Freddie Mac

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