Illustration 2

# SAMPLE MORTGAGE COMPARISON

***(Not actual loans available)***

**Sample Loan Amount $200,000 – 30-Year Term – Interest Rates For Example Purposes Only**

| | **Traditional Fixed Rate Mortgage** (__%) | **5-Year Interest-Only ARM** (initial rate __%; maximum rate __%) | **Payment Option ARM** (rate in 1st month __%; variable rate after 1st month (starting at __%); maximum rate __%) |
|---|---|---|---|
| **REQUIRED MONTHLY PAYMENTS** | | | |
| **Years 1-5** | **$_____** | **$_____** | **$___ — $___ (increasing annually)** |
| **Year 6 – if rates don't change** | **$_____** | **$_____** | **$_____** |
| **Year 6 – if rates rise 2%** | **$_____** | **$_____** | **$_____** |
| **Year 8 – if rates rise 5%** | **$_____** | **$_____** | **$_____** |
| **EFFECT ON LOAN BALANCE AND HOME EQUITY** | | | |
| **After 5 Years, How Much Will You Owe?** | **$_____** | **$200,000** | **$_____** |
| **After 5 Years, How Much Home Equity Have Your Loan Payments Built?** | **$_____** | **$0** | ***NEGATIVE*** **$_____** |