



UNIT 6

Understanding Home Mortgages

Unit 6–1: What is a Mortgage?

What is a Mortgage?

http://www.freddiemac.com/corporate/buyown/english/mortgages/what_is/

Non-biased advice from Freddie Mac, a stockholder-owned corporation chartered by Congress to support of homeownership and rental housing.

Mortgage Advice and Counsel

<http://www.mtgprofessor.com/Default.htm>

Expert advice over a wide range of mortgage topics from a Wharton School professor and former Chief of Domestic Research at the Federal Reserve Bank of New York

Unit 6–2: The Mortgage Amortization Schedule

Simple Loan Payment Calculator

<http://www.mortgage-calc.com/mortgage/simple.php>

Very simple calculator that computes size of a fixed rate mortgage payment

Canada Mortgage.com Amortization Calculator

<http://www.canadamortgage.com/calculators/amortization.cgi>

Sophisticated calculator showing the mortgage amortization results visually in the form of a chart.

Unit 6–3: Fixed vs. Adjustable Rate Mortgages

What is an ARM?

http://www.pueblo.gsa.gov/cic_text/housing/handbook/handbook.htm

Short and informative discussion of adjustable rate mortgages (ARMs) from the government's "Consumer Handbook on Adjustable Rate Mortgages."

Adjustable-rate mortgage (ARM) indexes explained

<http://www.bankrate.com/brm/news/mortgages/20040415a1.asp>

Informative discussion of how the index of most ARMs are constructed. Includes descriptions of COFI and MTA (or MAT) indexes

How Do You Assess an Adjustable Rate Mortgage?

http://www.mtgprofessor.com/A%20-%20ARMs/how_do_you_assess_an_arm.htm

Useful discussion of common misconceptions and pitfalls of ARM practices; includes examples, mistakes to avoid, glossary, ARM mortgage calculators.

Unit 6–4: Finding the Right Mortgage for You

Finding the Right Loan for You

<http://www.homefair.com/articles/mortgage/thekeystogettingtherightmortgage.asp?cc=1>

Short description of ways to compare loan terms between lenders along with some common sense advice regarding mortgages.

Find the Mortgage That's Right for You

<http://www.investopedia.com/articles/pf/05/031605.asp>

Brief comparison of advantages and disadvantages of fixed rate and adjustable rate mortgages.