



# Fixed Rate Vs Adjustable Rate

A fixed rate mortgage and an adjustable rate mortgage are the two primary mortgage types. The first step when shopping for a mortgage is determining which of the two loan types best suits your financial needs.

**What's a fixed rate mortgage?** It's a set rate of interest that doesn't change throughout the life of the loan. However, the amount of principal and interest paid each month varies from payment to payment.

**What's an adjustable rate mortgage?** It's a type of mortgage where the interest rate applied on the balance varies throughout the life of the loan.

**Which loan is right for you?** When choosing the mortgage type, you need to consider a wide range of personal factors. To figure out which type may be best for you, considering asking yourself the following questions:

- What is the maximum mortgage payment you can afford today?
- Could you still afford an adjustable rate mortgage if interest rates rise?
- How long do you intend to live on the property?
- What direction are interest rates heading and do you anticipate that trend to continue?

For more information, read [here](#).



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