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


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?
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
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.