



## Available Mortgage Products

### Fixed Rate Loans - 40, 30, 25, 20, 15, or 10 Year Terms

Fixed Rate Mortgages have fixed interest rates for the entire term of the loan and therefore have the same monthly payment until the loan is paid-in-full. A shorter amortization term will require a higher monthly payment, but will feature a lower interest rate and a greater percentage of your monthly payments directed at reducing the principal balance of the mortgage versus interest payments.

### FHA Loans

FHA Loans require a 3.5% down payment and sellers may pay the closing costs, if applicable. Up-front mortgage insurance in the amount of 1.75% is added to loan amount with 0.55% monthly mortgage insurance renewal based on the loan amount.

- FHA Loans are available for purchases, rate and/or term refinances and cash-out refinances (up to 95% with 2 appraisals).
- A 12-month seasoning requirement is required before refinancing.
- All co-borrowers must be occupants of the place being purchased.

### VA Loans

VA Loans provide for 100% financing of up to \$417,000 (with a 'Certificate of Eligibility'). The VA Loan Funding Fee is added to loan amount, depending on the usage. Borrowers qualify based on net income.

### Rural Housing Loans

Rural Housing Loans allow for 100% financing for properties outside of Anoka, Hennepin, Ramsey and Washington Counties.

- Population and income limits apply.
- 2% upfront Guarantee Fee added to the loan amount.
- More than 6% Seller's Contribution allowed.
- 100% gift
- Unrestricted gifts
- No seasoning, no cash reserves, no rent verification.
- Bankruptcy OK if after 3 years.

### Adjustable Rate Loans (ARMs)

Adjustable Rate Loans (ARMs) allow for mortgage interest rates to fluctuate with market conditions. The rate is fixed for an initial period of time and then adjusts after a certain amount of time. For example, a '5/1 ARM' has a fixed rate and monthly payment for 5 years before the interest rate adjusts (up or down) annually. Most buyers choose an ARM because it begins with a lower interest rate and payment versus a fixed rate mortgage, which has a higher set monthly rate and payment.

- The adjusting interest rate is tied to an index – the buyer may choose from a COFI, LIBOR or Treasury Index.
- Available for purchases, rate/term refinances and cash-out refinances on 30-year fixed rate mortgages.
- 5/1 and 7/1 ARMs available at very low competitive rates with NO prepayment penalty.

### Jumbo and Super Jumbo ARMs for Purchase

These are loans greater than the maximum-conforming loan size limit eligible for purchase by either Fannie Mae or Freddie Mac (who purchase the underlying securities from mortgage originators). Those funds are then reinvested into new mortgages, and the flow-of-funds cycle continues. Rate/term and cash out refinances over \$417,000 are available up to \$3,000,000.00 at lower Loan-to-Value ratios.

### Interest-Only Payment Loans

The borrower pays only the interest that accrues on the loan balance each month. The outstanding balance of the loan does not decline with each payment because each payment goes toward interest. These loans are part of a standard loan program; they are different only because they have special payment options.

- Additional and more restrictive underwriting requirements.

### Investment Property and 2nd Home Loans

These loans are necessary when you are purchasing a property but the property will not be your primary residence.

- Higher down payments.
- Higher rates and fees.

### Out-of-State Loans

21ST Century Bank is able to secure financing on properties located outside Minnesota for your convenience. Low rates and fees offered.