



# Low Interest Rates are Better than the Tax Credit.

6.00%  
5.75%  
5.50%  
5.25%  
5.00%  
4.75%  
**4.50%**

*The recent tax credit was worth up to \$8,000.  
With a historically low mortgage rate of about 4.5%,  
you could save 2-3 times that amount!*

According to NAR, most sellers stay in the same residence for an average of 7 years. Let's imagine that you bought a home today for \$400,000 with a 20% down payment and a \$320,000 mortgage. With a 30 year fixed rate mortgage at 4.5% and an annual percentage rate (APR) of 4.6327% your monthly payment would be \$1,646.73.<sup>1</sup>

If rates return to 5.5% (5.6409% APR), monthly payments increase to \$1,845.31. Since this is a monthly increase of \$198.58, if you buy today with the lower interest rates, you would have saved over \$8,000 in less than 3.5 years. If you stay in the house for the traditional average of 7 years, then your savings would be \$16,680.72 - more than double the tax credit!<sup>2</sup>

If rates climb to 6% (6.1452% APR), monthly payments increase to \$1,948.54. Since this is a monthly increase of \$301.81, you would have saved over \$8,000 in a little more than 2 years. Your 7-year savings would be more than triple the tax credit at \$25,352.04!<sup>3</sup>

*If you're considering buying a home, please don't hesitate -  
Waiting could cost you thousands of dollars!  
Contact me today to discuss your options and opportunities.*

1. This assumes \$5,000 closing costs, 360 payments totaling \$592,821.81 of which \$272,821.91 is the total interest paid.

2. This assumes a \$400,000 home with a 20% down payment on a 30 year fixed rate loan with \$5,000 closing costs. There would be 360 payments totaling \$664,313.13 of which \$344,313.13 would be the total interest paid.

3. This assumes a \$400,000 home with a 20% down payment on a 30 year fixed rate loan with \$5,000 closing costs. There would be 360 payments totaling \$701,474.11 of which \$381,474.11 would be the total interest paid.

