

# MORTGAGE MATTERS

Financial Issues for Today's Homeowner

## THE EQUITY BRIDGE LOAN – MAKING MOVING EASIER

What is more difficult than packing up one house? Making the payments on two homes. Even if you are lucky enough to qualify for two mortgages, do you want to spend your cash on two monthly payments? The Equity Bridge loan can be your solution. This loan allows you to simplify your financing and focus on moving.

- **Use up to 80% of the value of your current home as a down payment for your new home.** The Equity Bridge loan refinances any existing mortgages on your current home, and pays for title expenses and loan fees on your new loan. Remaining proceeds from the equity are available for the new purchase.
- **Sale of current home need not be a distress sale.** The Equity Bridge loan allows as long as 12 months to repay the balance on your loan, and the opportunity to work with your realtor to market your current home.
- **Contingency-free - start building or move in now.** The Equity Bridge loan eliminates the need for a contingency clause (requiring the sale of your current home) on your new home purchase. You can begin building or move into your new home sooner.
- **No need to liquidate other assets to meet down payment requirements.** By using equity from your existing home toward the purchase of your new home, the Equity Bridge loan allows you to avoid liquidating other assets to make the down payment.
- **Pay down your new loan, and lower your payments without refinancing.** Once your current home is sold and you repay the Equity Bridge loan, you may want to use any excess cash to pay down the new mortgage and lower your payment without refinancing.



**Joanne Zarro**

*Licensed Mortgage Broker*

As a Licensed Mortgage Broker, Joanne is available to discuss any of your lending needs with you at your convenience. For more information call Joanne Zarro at 288-5251.

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## INCREASING LOAN LIMITS

The actions of Freddie Mac and Fannie Mae, the two largest secondary market agencies, have recently caused movement in loan limits for FHA and VA loans when they raised their ceilings to \$300,700 for conventional loans. Reacting to the change in conventional loan limits both the Federal Housing Administration (FHA) and the Department of Veterans Affairs (VA) also raised their loan limits. FHA financing is popular among first-time and low-income buyers because the agency requires only a 3% down payment and permits family and friends to contribute to the initial home buying expenses. The FHA loan amount was recently raised to \$144,336 from the previous \$129,000. VA loans allow veterans to qualify for no-down payment loans of up to \$240,000 rather than the previous \$203,000.

## LOAN LIMIT UPDATES

	CURRENT LOAN LIMITS	PREVIOUS LOAN LIMITS
<b>Conventional</b>	\$300,700.00	\$275,000.00
<b>FHA</b>	\$144,336.00	\$129,000.00
<b>VA</b>	\$240,000.00	\$203,000.00

**A LEADER IN LENDING**

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