



We thank **A and N Mortgage Services, Inc** for this rate information. A and N works with over fifty lenders and offers a full choice of programs for 2- to 4-flats, including no-money-down and programs for buyers with imperfect credit.

Chicagoland2to4Flats.info is Chicago's first comprehensive web site for the multi-unit market. At www.Chicagoland2to4flats.info you will find unique tools and resources, both for buyers and sellers. At least in the multi-unit market, it only makes sense to work with a specialist!

GENERAL FACTORS TO CONSIDER

Credit Score. Most lenders regard anything above 700 as very good and less than 600 as a serious problem!	"Conforming" levels. The purchase price or down payment can affect rates or the amount you qualify for (larger loans are called 'jumbo,' others are "BC" or subprime):	Income/Debt. A lender will typically include 75% of rent you will collect and then approve you for a monthly payment no higher than 36% of your income <u>not counting your debt payments</u> OR 42% <u>with them.</u>
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These sample rates were current as of 2/09/06.

1st MORTGAGE (I.O. stands for Interest Only)

2nd MORTGAGE

A common 2nd mortgage is a HELOC (Home Equity Line of Credit) with an Interest Only min. payment for 10 years.



A and N Mortgage Services, Inc is an Illinois Mortgage Licensee located at 1535 N Dayton, Chicago, IL 60622; please contact Susie Cohn (phone: 312-543-2438, fax: 312-664-5831).

Why a 2nd Mortgage?

If you purchase property with less than 20% down, you must either pay Private Mortgage Insurance (PMI) or take out a 2nd mortgage. In all the examples you see here, we assume a 1st mortgage of 80%--and a 2nd mortgage to avoid PMI. Also, because it often varies week to week which product has the lower rate, we show "2- or 3-yr ARM" as a combined option.

This Matrix of Mortgage Programs and Rates works with the Property Analysis Worksheet you'll find in the Tools / Resources section of our web site.

The rates shown on this chart are only SAMPLES of some commonly available, current rates and assume a good FICO score (700+) and fully-documented income; the actual rate you will qualify for may be different (based on your credit score, loan size, income/debt ratios, and other factors).

What you see here are common loan options--your lender may have others to consider.

	Common Loan Options	Amortizes:			Typical Rate:	(APR)		
Owner - Occupied	2-flat options:	0% down	2- or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.375% 6.125% 6.500%	5.118% 5.011% 5.217%	I.O. (10 yr HELOC) 8.75% (8.762% APR)	
		5% down	2- or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.375% 6.125% 6.500%	5.118% 5.011% 5.217%	I.O. (10 yr HELOC) 8.75% (8.762% APR)	
		10% down	1st mortgage programs/rates with 10% down are typically the same as 5%, but the 2nd mortgage will be less expensive.					I.O. (10 yr HELOC) 8.75% (8.762% APR)
		20% down (or more)	Programs and interest rates for 20% down are the same as a 1st mrtge with 5% or 10% down. The only difference is that with 20% or more down you won't need a 2nd Mortgage to avoid PMI.					
	3-to 4-flat options:	0% down	2 or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.875% 6.625% 7.000%	6.875% 6.625% 7.000%	I.O. (10 yr HELOC) 8.75% (8.762% APR)	
		5% down	2- or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.625% 6.375% 6.750%	6.625% 6.375% 6.750%	I.O. (10 yr HELOC) 8.75% (8.762% APR)	
		10% down	1st mortgage programs/rates with 10% down are typically the same as 5%, but the 2nd mortgage will be less expensive.					I.O. (10 yr HELOC) 8.75% (8.762% APR)
		20% down (or more)	Programs and interest rates for 20% down are the same as a 1st mrtge with 5% or 10% down. The only difference is that with 20% or more down you won't need a 2nd Mortgage to avoid PMI.					
NON Owner-Occupied	2-flat options:	0% down	2- or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.875% 6.625% 7.000%	5.224% 5.164% 5.594%	30 yr amortization 12.00% (12.068% APR)	
		5% down	2- or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.875% 6.625% 7.000%	5.224% 5.164% 5.594%	30 yr amortization 12.00% (12.068% APR)	
		10% down	2- or 3-yr ARM 2- or 3-yr ARM 5-yr ARM	I.O. 30 yr I.O.	6.500% 6.250% 6.625%	5.217% 5.162% 5.518%	I.O. (10 yr HELOC) 9.75% (9.842% APR)	
		20% down (or more)	Programs and interest rates for 20% down are the same as a 1st mrtge with 5% or 10% down. The only difference is that with 20% or more down you won't need a 2nd Mortgage to avoid PMI.					
	3-to 4-flat options:	5% down	2- or 3-yr ARM 5-yr ARM	I.O. 30 yr	7.250% 7.000%	5.360% 5.690%	30 yr amortization 12.25% (12.319% APR)	
		10% down	2- or 3-yr ARM 5-yr ARM	I.O. 30 yr	6.875% 6.625%	5.290% 5.521%	I.O. (10 yr HELOC) 9.75% (9.842% APR)	
		20% down (or more)	2- or 3-yr ARM 2- or 3-yr ARM 5 -yr ARM	I.O. 30 yr I.O.	6.625% 6.375% 6.750%	5.240% 5.186% 5.552%	No 2nd mortgage necessary with 20% down	

How does your payment change?	% Down	Cash Needed	Mthly Payment
One couple found that for a \$420,000 purchase, they had the options shown that meant bringing anywhere from \$7,510 to \$93,110 to the closing table. In this case, they chose the 5% down option.	0%	\$7,510	\$2,693
	5%	\$28,810	\$2,456
	10%	\$50,310	\$2,345
	20%	\$93,110	\$2,122