



**Lower interest rates can mean more buying power.**

When interest rates drop, the true impact on a home buyer may be their buying power. While home values may not change, the cost to obtain a home goes down.

This means that buyers may be able to purchase a higher priced home than they realize!

The examples to the right compare interest rates and demonstrate how buying power can be impacted at different rate levels.

EXAMPLE



Purchase Price	Mortgage Amount	30 Year Fixed Interest Rate (APR)	Monthly Principal & Interest Payment
\$1,875,000	\$1,500,000	3.00% (3.047% APR)	\$6,324.08
\$1,656,250	\$1,325,000	4.00% (4.037% APR)	\$6,325.77

In this scenario — for a similar monthly principal & interest payment — the lower interest rate yields **a difference in buying power of \$175,000!**

EXAMPLE



Purchase Price	Mortgage Amount	30 Year Fixed Interest Rate (APR)	Monthly Principal & Interest Payment
\$3,750,000	\$3,000,000	3.25% (3.306% APR)	\$13,056.21
\$3,312,500	\$2,650,000	4.25% (4.284% APR)	\$13,036.43

In this scenario — for a similar monthly principal & interest payment — the lower interest rate yields **a difference in buying power of \$350,000!**

Mortgage amounts are based on 30-year fixed rate conforming and jumbo conventional loans with a 20% down payment. Interest rates and annual percentage rates (APRs) are based on current market conditions, are for informational purposes only, are subject to change without notice and may be subject to pricing add-ons related to property type, loan amount, loan-to-value, credit score and other variables. Examples are provided for educational and illustrative purposes only. The payment amounts do not include homeowners insurance or property taxes, which must be paid in addition to your loan payment. Your actual payment may be higher. This is an illustration and does not reflect your actual loan information, cost or the exact interest rate for which you may qualify. Please contact us for current interest rates. Your loan's interest rate will depend upon the specific characteristics of the loan transaction and your credit profile up to the time of closing. Estimated closing costs used in the APR calculation are assumed to be paid by the borrower at closing. If the closing costs are financed, the loan, APR and payment amounts will be higher. If the down payment is less than 20%, mortgage insurance may be required and could increase the monthly payment and APR. Speak with your mortgage consultant for more information regarding the content contained on this page.

**Contact us to answer any questions you may have about buying a home.**



**John Gamlin**  
 Mortgage Consultant  
 NMLS#: 137143  
 Office: 484-540-0709  
 Cell: 610-764-4222  
 John.Gamlin@phmloans.com  
 johngamlin.phmloans.com



600 Evergreen Drive Suite 100  
 Glen Mills, PA 19342



All first mortgage products are provided by Prosperity Home Mortgage, LLC. (877) 275-1762. Prosperity Home Mortgage, LLC products may not be available in all areas. Not all borrowers will qualify. Licensed by the Department of Financial Protection and Innovation under the California Residential Mortgage Lending Act. Licensed by the Delaware State Bank Commissioner. Massachusetts Mortgage Lender License ML75164. Licensed by the NJ Department of Banking and Insurance. Also licensed in AK, AL, AR, AZ, CO, CT, DC, FL, GA, ID, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, MT, NE, NC, ND, NH, NM, NV, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV and WY. NMLS #75164 (NMLS Consumer Access at <http://www.nmlsconsumeraccess.org/>) ©2021 Prosperity Home Mortgage, LLC. All Rights Reserved.