

# Funding, Finance and Credit

## What is a lifetime cap?

The highest amount that an adjustable mortgage can be raised over the initial interest rate. These caps usually fall within the range of 5.0% - 7.0%. For example, if the initial interest rate is 5.25% and the lifetime cap is 6.0%, the highest interest rate a borrower might be required to pay during the life of the loan would be 11.25% (5.25% + 6.0%).

Unique solution ID: #1797

Author: admin

Last update: 2016-07-19 20:01