

Funding, Finance and Credit

What is an adjustable rate mortgage(ARM)?

A mortgage loan whose rate may be changed at specific intervals over the life of the loan. Usually ARM's "reset" every 3 or 5 years, or stay the same for the first 5 years, then adjust every year thereafter. There are normally limits on the % the interest rate can increase(or decrease) by.

Unique solution ID: #1798

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Last update: 2016-07-19 20:02