dollars, and leaving people with houses they could not even imagine being able to afford. Many families were left homeless, and the idea of homeownership began to look a little more distant in people’s minds. Feeling cheated by the banks who had steered them towards disaster took its toll on the American economy and the housing market plummetted.

Many banks, many people, many houses. Hillary Clinton says it’s a crisis, and many others agree. But you’re bound to feel like you’re drowning in the ocean of mortgage options. How do you know what’s right? How do you know if you’re in a deal that you’re going to regret for the rest of your life? How do you know if the bank is really interested in helping you? Here’s an easy way to understand a mortgage.

The Problem

LACK OF KNOWLEDGE

The United States Government has many different plans for people facing foreclosure, as well as people looking to buy homes for the first time. Even if you are looking to buy a home that needs remodeling off the start, or trying to pay off your second home, there really is a plan for you. Most of them are hard to find or not talked about enough to the point where many people don’t even know about them. Being able to find and understand them is 90% of the housing battle.

The Sad Truth

What the Banks Don’t Want You to Know

While the banks are there to keep your money safe, and secure, they are also there as a business with the intention of generating profit. Sometimes this desire to make money interferes with the ethical aspects of running the banks. Every potential homebuyer is scanned into buying houses the bank knows they will not be able to afford in the long run. They’ll sell you the lowest price they think they can to get you into bad terms in people’s homes. Feeling cheated by the banks who had steered them towards disaster took its toll on the American economy and the housing market plummetted.

The Solution

ACCESSIBLE EDUCATION

Our Goal

was to bring as much information about housing plans and payment plans for mortgages as we could to one place. Another thing we tried to accomplish was to make the information easy to understand so the common person could come to the website, and within minutes be able to make an educated decision on whether or not to buy or propose a mortgage.

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Providing the common person with all the available housing programs the government provides in easy accessible education.

The Solution

Accessible Education

Presented by: Matthew Rodriguez, Mark Rusinski, Neil Supnekar Advisor: Dr. McAfee

Mortgage Assistant

Financial Engineering Capstone

Fixed Rate

The most common type of mortgage pay plan. The interest rate is fixed and all of the payments are incremented evenly leaving the house paid in full at the end.

Adjustable Rate

The riskiest of all of the plans. The interest rate may change by up to 2% each term leaving you uncertain of what your next payment is. It can either increase or decrease rapidly depending.

Balloon

Balloon mortgages are one in which you pay a certain amount over a certain period, than finish your payments off in one large lump sum in the end.

Interest Only

Only pay the interest for a set period of time, and the remainder is converted to principal and amortized accordingly for the remainder of the payment cycle.

Graduated

Your payments will start off small, and then slowly increase over time. The assumption is your paychecks will increase, or you will have more income coming in the future but want a house now.

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