

## Now might be the right time to buy

Right now may be the time to buy that home you've always dreamed of.

That's because many area bankers agree interest rates will begin creeping upward again later this year.

The mortgage market has become very competitive among lenders as rates have stabilized in the low teens after hitting the 17-19 percent range only a few years ago.

There are some new options in the lending market that weren't available only a few years ago. Home buyers must decide between the traditional fixed-rate mortgage and the newer variable-rate loans adjusted periodically. There is also a range of mortgage lives extending from 15-30 years, as well as accelerated bi-weekly payments.

And mortgage rates on either fixed or adjustable schedules vary considerably from bank to bank and among savings and loan associations.

Then there are also the hidden cost factors such as furnishing the home, maintenance and heating, and property taxes. All must be estimated in arranging a mortgage suited to your budget.

Consider: the average monthly payment on a \$35,000 mortgage taken out over 20 years is about \$400.

Now, add another \$100 a month in average heating costs, plus about \$50 a month toward a yearly average \$600 in real estate taxes and you're already paying out \$560 a month before food, clothing, car expenses.

But a wise mortgage decision should be one that leaves you feeling comfortable and secure that this long term commitment can be met.

A fixed rate is exactly that. The interest rate you agree to now will be the same rate you'll be paying over the length of the mortgage, generally 20 to 25 years. No more, no less.

Adjustable-rate mortgages (ARMs) are the new kids on the financial block, first conceived on the West Coast in the late 1970s.

The idea allows interest on mortgage payments to be adjusted generally on a one, three or five-year period, going up or down with swings in the economy. The frequency of the adjustment period is entirely up to you. Many people prefer adjustment each year.

Most lenders place a cap, or limit on how high or low a rate can change in any given period, typically a few percentage points either upward or downward based on the current U.S. Treasury index.

As one might imagine, there are lean fiscal years and fat fiscal years. No one can accurately predict the economic outlook over the next five years, let alone the coming months.

Adjustables have become the most attractive mortgage issued in 1984 at BB-CT, written twice as frequently as the traditional fixed-rate residential loan.

But the story is reversed dramatically at United Penn Bank down the street, where an estimated 90 percent of all mortgages are issued at fixed rates.

Adjustable rates, too, make for initial payments that are slightly lower than fixed rates and are usually the best interest rate a lender can offer a consumer on any given day, by a difference of 1 to 2 3/4 percent.

An adjustable mortgage may be just the thing for a family who only intends to keep their home for a few years before having to relocate due to job necessities, or are forced to sell due to changing family needs.



DAVID L. TRESSLER

## Northeastern has new gift program

Northeastern Bank of Pennsylvania has kicked off a deposit gift program which entitles customers to free gifts when they purchase a qualifying certificate of deposit.

According to bank officials, the customer receives both a gift and interest on the certificate. Customers can choose 36, 48 or 59 month certificates of deposit. The rate a customer receives when the certificate is purchased is guaranteed for the full term of the certificate.

The gifts include clock radios, television sets, a microwave oven, computer and a grandfather clock. The term of the certificate and the amount invested determine the gift a customer receives.

Full details on the deposit gift program are available at Northeastern's Abington area offices on State Street in Clarks Summit and Rt. 6 & 11, Chinchilla. Northeastern's 24-hour banking network, The Corner Bank, is also located at the Chinchilla office.

David L. Tressler, chairman of the board and chief

executive officer of Northeastern, noted that during the past year, the bank remodeled its Clarks Summit office to provide more convenience for customers.

The remodeling included the relocation of the main entrance to the corner of State Street and Colburn Avenue. The entrance steps were eliminated and ramps were installed for easier access to the building. In addition, the teller windows were rearranged in a diagonal line for more customer privacy.

Also during 1984, Northeastern donated \$10,000 to the Abington Way Main Street Project. The project included the installation of curbs, sidewalks, lighting and other improvements to enhance the business and commercial environment of the Main Street area.

Northeastern has 37 offices throughout the Pocono Northeast and the Lehigh Valley. The bank is an affiliate of PNC Financial Corp., Pittsburgh.