

Why 50-Year Mortgages Aren't Coming Anytime Soon — And Why You Probably Wouldn't Want One Anyway

Every few months, some media outlet announces the “next big thing” in real estate — usually with lots of graphics, dramatic music, and very little accuracy. Recently, some headlines claimed that a 50-year mortgage and portable interest rates were about to sweep across America and change the housing market forever.

I asked **Jaxzann Riggs**, owner of **The Mortgage Network**, for her insights on these two topics and her response was a chuckle... followed by this quick explanation:

In the United States, mortgage products exist within a framework of regulators, lenders, investors, and agencies like Fannie Mae and Freddie Mac. These groups all care about risk, long-term stability, and — yes — common sense.

A 50-year mortgage just doesn't check those boxes.

Here's why lenders aren't jumping on board:

Longer terms mean higher risk. The longer a loan stretches, the more that can happen economically and personally. Lenders and investors don't love uncertainty.

Most borrowers move every 7 to 10 years. A 50-year term is like buying a gallon bottle of ketchup when you're moving next month. It's unnecessary and a little absurd.

It ties up capital for too long. Investors who fund mortgages want predictable returns.

A 50-year runway is too long to be appealing to lenders.

But let's say the media is right and that 50-year loans arrive tomorrow. You probably won't want one, and here is why:

- ♦ You'd pay dramatically more interest.
- ♦ Your equity would build at a glacial pace.
- ♦ The monthly payment savings aren't nearly as magical as the headlines suggest.



Let's compare payments for a \$550,000 loan at 6.125%

- ♦ **30-year mortgage** — Payment (principal & interest): ~\$3,343/month
 - ♦ **50-year mortgage** — Payment (principal & interest): ~\$3,070/month
- That's a difference of roughly **\$273 per month**.

Now, \$273 is nothing to sneeze at, but here's the part the flashy headlines leave out:

You'd shave only 8% off your payment but add **20 extra years** of repayment.

And the total interest you'll be paying?

- ♦ **30-year loan** total interest: roughly \$653,000
- ♦ **50-year loan** total interest: roughly \$1,298,000

That's **double the interest** for such modest monthly savings. You're paying an extra

\$645,000 over the life of the loan — the financial equivalent of paying for two houses but only getting one.

And don't forget one of the primary benefits of homeownership, equity increase. The early years of a mortgage are heavy on interest and light on principal. Stretch that over 50 years, and the principal barely budges for a very long time.

If you're hoping to build equity, refinance later, or use your home as a long-term wealth-building tool (as in a Reverse Mortgage), a 50-year loan works against you, not for you.

Yes, we would all love to have a portable rate, but that is also not right around the corner.

A portable rate means you take your mortgage rate with you when you move, like a favorite suitcase.

Unfortunately, our U.S. system isn't built like that. Mortgages here are funded, pack-

aged, and sold in the secondary market. Your mortgage isn't designed to be unplugged from one house and snapped onto the next one.

For that to change, the entire securitization system would need to be redesigned — and that's not happening.

Jaxzann concluded with “I'm all for innovation in the mortgage industry, especially when it helps real families, but the recent chatter about 50-year mortgages and portable rates is media enthusiasm, not mortgage reality.”

For now—and likely for a long time—the solid, predictable 30-year, 15-year or carefully crafted adjustable-rate mortgage will likely be the workhorses of American homeownership.

If you would like to discuss a mortgage strategy for your next purchase or refinance, call Jaxzann at **303-990-2992**.

Our Brokerage Welcomes New Agent, Monica Fullmer

Monica is new to CENTURY 21 Golden Real Estate, but definitely not new to real estate. A long-time resident of Golden, she represents buyers and sellers from all over the metro area. She currently has a listing under contract in Castle Rock and another one in Centennial. She has been in real estate and previously in mortgage lending a total of 32 years. She also owns a company, Ultra Premium CBD, which she is really proud of because of the healings she has experienced and witnessed from non-THC cannabinoid products.

Her real estate expertise includes commercial, investment and multi-family properties. She is also a licensed mortgage loan originator. Monica enjoys breaking down complex financial information into understandable information that her clients can use to make good decisions. She is fluent in Spanish and owns a home in Costa Rica. She has family in Croatia. She looks forward to hearing from readers. Her cell number is **(720) 392-4111**. Her email address is Monica@Century21Advisor.com.



Price Reduced on Arvada Ranch Siding to Greenbelt

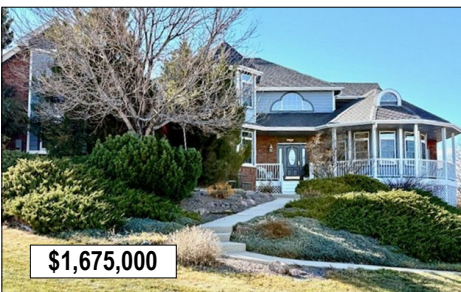


This exquisite home in Wyndham Park has been beautifully updated and adjoins a peaceful greenbelt. It features hardwood floors and vaulted ceilings with an open floor plan. The updated kitchen includes a dining area with a large bay window and pantry. The family room features a gas fireplace and is open to a formal dining room. The primary suite includes a large walk-in closet and an updated bathroom with a 3'x5' shower, white shaker double vanity with quartz countertop, and a large linen closet.

The main floor also has a 2nd bedroom/office and an updated full bathroom. In back is a landscaped yard and covered patio. Step down to a secluded south facing side yard along a greenbelt. Downstairs is a fully finished basement with two bedrooms sharing a Jack-and-Jill bathroom and with windows looking out on the greenbelt. There is plenty of storage space and a second family room that can be used as a home theater, game room or home gym. The main-floor laundry room has a sink, built-in cabinets with ample storage and serves as a mud room from the 2-car garage, which has additional storage space. This home is near parks, trails, ponds, and is walking distance to the Arvada YMCA. View the narrated video tour at www.GRElistings.com, then call Kathy Jonke at **303-990-7428** to arrange a private showing.

Just Listed: 5-Bed/4½-Bath Home on Broomfield Hill

This hilltop Victorian sits on 2.58 acres with exceptional privacy, panoramic views, and ideal access to both Boulder and Denver. Enjoy 360° vistas from the wrap-around porch, pergola-covered deck, and gazebo. The home offers abundant natural light, two primary suites (main floor and upper level), and multiple comfortable living spaces. A finished walkout basement with a private entrance and full kitchen adds valuable flexibility for additional living, work, or recreation — and offers potential for rental or supplemental income. Mature landscaping, a three-car garage, space for RVs and multiple guest cars, and easy access to I-25 and the Orchard Town Center make this a rare Front Range opportunity. Although the home has a Broomfield address, it is in unincorporated Adams County. It was built by the seller's contractor to seller's specifications. Sellers have loved this home but are now retiring to Nevada. Narrated video tour and more at www.GRElistings.com.



'Real Estate Today' Column Returns After 9-Week Hiatus

This column/ad has been published weekly without lapse since 2005 or thereabouts. Even when Rita and I went on a 122-day world cruise in the first half of 2024, I kept submitting this column every week to this paper and 24 others, including *The Denver Post*.

But when we booked a 55-day Silversea cruise visiting over 40 Mediterranean ports, I decided to make it more of a vacation by asking the publishers if it would be okay if I took a 9-week break and if they'd welcome me back when we returned. Fortunately, they all said, “Yes”!

As a journalist, however, I couldn't resist blogging every day about our travels, which included a visit to Mt. Etna in Sicily. The entire trip is archived on my blog at <http://WhereAreJimandRita.substack.com>.



Peter Ewers Speaks to Sustainable Golden

Peter Ewers is well-known in Golden as the architect who announced on Earth Day 2019 that his company, Ewers Architecture, would henceforth focus solely on designs using all-electric systems, with a focus on Net Zero Energy.

Being committed to sustainability myself, I could not allow myself to miss his presentation this past Wednesday evening, even though it was less than 48 hours after my 20-hour return flight from our 55-day Mediterranean cruise.

The host of the event, Sustainable Golden, is a non-profit of like-minded citizens committed to helping the City of Golden achieve its ambitious sustainability goals. Learn more about it at www.SustainableGolden.org.

Mr. Ewers's firm does both new builds and renovations aimed at making older homes closer to Net Zero Energy. For remodeling homes, he focuses on installing high-



efficiency, all-electric appliances and systems. On new builds, he will only take assignments aimed at going Net Zero or at least Net Zero Energy-Ready.

He has a negative opinion about the popular window manufacturers we all have heard of and promotes Alpen's triple pane super-efficient windows. Zula was another company he mentioned.

The second goal of remodeling jobs is to increase insulation and improve the exterior envelope of the house. Tasks for the homeowner include:

- Replacing lights with LEDs
 - Installing low-flow & dual-flush toilets
 - Installing Energy Star appliances
 - Using low- and zero-VOC finishes
 - Using recycled and recyclable products
 - Using locally made products.
 - Using materials that sequester carbon
- You can reach Peter at **720-789-2130**.



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