

Fixed-Rate Mortgage Terminology Clarification

Date: [Insert Date]

To: [Recipient's Name]

[Recipient's Address]

Dear [Recipient's Name],

I hope this letter finds you well. As you consider your fixed-rate mortgage options, I would like to clarify some important terminology to ensure a comprehensive understanding of the process and terms involved.

Key Terms:

- **Fixed Rate:** A mortgage that maintains the same interest rate throughout its term.
- **Principal:** The amount of money you borrow from the lender.
- **Interest:** The cost of borrowing the principal amount, usually expressed as an annual percentage rate (APR).
- **Amortization:** The process of paying off the mortgage over time through regular payments.
- **Escrow:** An account where funds are held for property taxes and insurance, often included in monthly payments.

It is essential to have a good understanding of these terms to make informed decisions regarding your mortgage. Please feel free to reach out for any further clarification.

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Title]

[Your Company]

[Your Contact Information]