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# What would a 50-year mortgage actually mean for homebuyers?

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**The potential addition of a 50-year fixed rate mortgage as a financing option for US homebuyers could lower monthly payments. However, it would lead to higher lifetime interest payments and a significantly longer period to generate equity.**

On 8 November 2025, Bill Pulte, Director of the FHFA, indicated that the Trump administration was working on a plan to introduce a 50-year home mortgage.

As it currently stands, mortgages with a term beyond 30 years are not considered conforming and therefore are not eligible for purchase by the GSEs. The conforming loan guidelines are derived from the Dodd-Frank Act's Ability-to-Repay rules.

Our initial conclusion is that the addition of a 50-year mortgage option would have marginal benefits for homebuyers, and those benefits are largely a function of the rate/spread calculus. Based on our analysis, moving from a 30-year to a 50-year mortgage would lead to only a small reduction in monthly payment (depending on the ultimate 30-year to 50-year spread).

One of the key drawbacks for buyers who utilize a 50-year mortgage is the amount of interest they would pay—assuming the loan stays outstanding for the full term. As a percent of total home price, a 50-year mortgage results in total interest paid being ~225% of the total home price. This is more than twice the level under a 30-year mortgage.

Another key drawback of the 50-year mortgage is how little equity beyond the initial down payment is generated even in the first 20 years of the mortgage. With a 50-year mortgage only 4% of the mortgage is paid off in 10 years and

only 11% is retired after 20 years. In our view this compares unfavorably to the 30-year mortgage, under which 46% of the mortgage is retired in year 20.

Assuming a conforming 50-year mortgage is approved, the depth of the market liquidity for such a mortgage would have important implications for the ability of originators or purchasers of the mortgage to hedge their exposure. As such, it is likely that the spread required to hedge the additional duration risk versus a 30-year mortgage would consume a significant portion of the monthly payment savings associated with a longer repayment period.

If you'd like to learn more about this proposal, see the full CIO report—[Real estate markets: Does a 50-year mortgage make sense for US homebuyers?](#), published 11 November 2025.

When deciding which borrowing strategy may be most appropriate for you and your family, discuss your options with a financial advisor.

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