"How to Save Thousands of Dollars When Refinancing Your Home Mortgage"

Mortgage rates right now are near the lowest that they've been in **40 years** which may have you asking, "Can I still save thousands of dollars in interest and monthly payments by refinancing my home mortgage?"

Yes, you can, but the amount you'll save depends on these four factors:

1) **The length of time you plan to stay in your home,**
2) **How low your current interest rate is,**
3) **How much it will cost you in points, fees and other charges to refinance and,**
4) **What type of loan you choose.**

I'd like to offer you some advice to help you answer these questions, so you save as much money as you possibly can.

1) Do you plan to sell your home in three years or less?

If so, you may not be able to recover all of the costs of refinancing. If you decide to refinance your home mortgage, normally the process involves paying off your original mortgage note and signing a brand new loan.

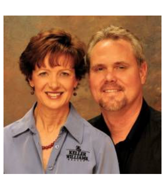
Unfortunately, when you take out a new loan, you may have to pay many of the same costs you originally paid to obtain your old loan. These charges can include appraisals, attorney's fees, and points. In some states, you can even be charged a penalty for paying off your original mortgage early. This penalty can amount to several thousand dollars. (Check to see if this applies.)

Also, many lenders will charge you "points" to refinance. A point typically represents one percent of your home loan.

To obtain the absolute lowest interest rate, some lenders may charge three to six percent of the total amount of your new home mortgage.

For example, on a $300,000 mortgage, the lender might charge you between $9,000 and $18,000 up front to obtain a new, low interest rate home loan. While these points can often be refinanced into your new mortgage, it still adds significantly to your total mortgage costs and increases your monthly house payment.

If you're planning to sell your home in the near future, then you may not be able to recover the full expense of refinancing before you sell.



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Unless, you find a mortgage consultant who charges less than three points or even zero points to refinance your home loan.

Sometimes, refinancing with fewer points may require you obtaining a home loan at a slightly higher interest rate, but this still reduces your initial costs. And, if the new interest rate is at least 2% lower than your current home loan, you could still save thousands of dollars, as well as reduce your monthly payment.

Your best bet is to talk to me (your name) at (your company) to see if refinancing is the right decision for you. I can calculate your new payment and show you your overall savings at no cost or obligation to you, so you can make a wise, informed decision.

2) Is the new interest rate offered for refinancing low enough to save you thousands of dollars, considering fees, points and other expenses?

Once upon a time, the rule of thumb was that unless the new interest rate on a home loan is at least *2% lower* than the interest rate on your current loan, then refinancing isn't worth it.

This isn't true any longer.

If you are going to remain in your home at least five years, and you find a mortgage consultant who offers zero points or low cost refinancing, you can still save thousands of dollars in interest over the course of your loan, even if the new rate is less than 1% lower than your existing home loan.

In addition, it's to your benefit to shop for points, as well as interest rates**.**

To better illustrate the benefit of refinancing, let's take a look at a typical situation.

Present loan situation:

$150,000 loan balance - 30 year fixed loan @ 6.5% interest rate - $948.10/mo payment Planning on living in the home for 5 years

Refinance loan scenario (NO OUT OF POCKET EXPENSES!):

$152,500 new loan balance (including closing costs of $2,500 into the new loan) 30 year fixed loan @ 5.00% interest rate - $818.65 per month payment

That's a savings of $129.45 per month! With such a savings, it would only take a little over 19 months to recoup the $2,500 in closing costs! Not only do you save on your monthly payments, but you also save in the amount of interest paid. In 5 years you would save $10,644 in interest payments by refinancing! In 30 years, it would be almost $50,000 in interest payment savings!

If you plan to stay in your house for several years, then it may be wise to pay additional points to obtain a lower interest rate home loan. As a rule, each point you pay deducts about one-eighth to one-quarter of one percent off the interest rate you're offered.

3) What fees and other charges will you have to pay to refinance?

Extra costs to obtain a new mortgage may include an application fee, title search, appraisal, loan origination fee, a charge for a credit check, attorney's services, deed recording fees or transfer taxes. Sometimes, fees can be negotiated. A new appraisal might not be required, for example, depending on when you last had your home appraised.

When you refinance your home loan, your mortgage consultant is required by law to give you a written statement of the costs and terms of the financing before you become legally obligated for the loan, as required by the Truth in Lending Act. This information is usually supplied at the time of closing and should be reviewed carefully before you sign your new home loan. These documents will disclose the annual percentage rate you are paying for the loan, finance charges, the amount you are financing, a monthly payment schedule, and other important credit terms and stipulations.

Ask your mortgage professional for a list of fees beforehand. This could result in substantial savings. At (your company), we'll gladly you give a complete list of all charges upfront, as well as help you obtain the lowest possible interest rate for the lowest cost out of pocket.

4) What kind of mortgage should I choose?

There are hundreds of mortgages available when refinancing your home, with varying interest rates, points and payoff schedules.

Fixed Rate Loans – With a fixed rate loan, both your loan's interest rate and monthly payments remain the same over the lifetime of the loan. You never have to worry about interest rate hikes. You can get a fixed rate loan that's amortized over 10, 15, 20, 25, 30, and even 40 years.

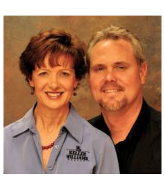
When refinancing, you might want to consider a 15-year, fixed-rate mortgage**.** While your monthly mortgage payments might be a little higher than a longer-term loan, over the term of your mortgage, you'll pay a lot less interest plus build equity more quickly. This results in thousands of dollars of savings for you!

Adjustable Rate Mortgage (ARM) – With this type of loan, both the interest rate and payment remain the same for a fixed period of time, usually 1, 3, 5, 7, or 10 years.

At the end of your loan term, the interest rate you pay can increase at fixed intervals (typically 1, 3, 6 or 12 month periods). The type of ARM you choose will predetermine the amount the rate can go up (normally 1/2% to 2% per rise).

Usually, there is a cap on the loan that determines the highest the rate can ever rise.

With an ARM, you can **get a lower rate,** for a short period of time, while you watch to see if and when fixed rates get better. This type of refinance loan may work well for you, if you have less than perfect credit. Allowing you to cash out equity to help pay high interest rate debts, then refinance once again when your credit score improves.



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If you decide to apply for refinancing with a particular lender, and if you do not want to let the interest rate "float" until closing, get a written statement guaranteeing the interest rate and the number of discount points that you will pay at closing. This binding commitment or "lock-in" ensures that the lender will not raise these costs even if rates increase before you settle on the new loan. You also may consider requesting an agreement where the interest rate can decrease but not increase before closing. If you cannot get the lender to put this information in writing, you may wish to choose one who will.

Most lenders place a limit on the length of time (say, 60 days) they will guarantee the interest rate. You must sign the loan during that time or lose the benefit of that particular rate. Because many people are refinancing their mortgages, there may be a delay in processing the papers. Therefore, you may want to contact your loan officer periodically to check on the progress of your loan approval and to see if additional information is needed.

Cash-Out Refinances - As mentioned earlier, when refinancing, you can "cash out" some of the equity of your home when refinancing your home mortgage to help pay off high interest debts or for home remodeling. Cashing out equity is not normally limited to any type of loan—although if you're refinancing for remodeling there are tax advantages available for any fees or points paid.

Cashing out puts a check immediately back into your hand when you sign the new loan documents and if you use this money to pay off high interest credit cards or other debts, the result can be thousands of dollars of savings plus lower overall monthly payments.

These are just a few of the mortgage options available when refinancing your home. In actuality, here are hundreds of low cost, no cost and low interest rates home loans available, and an experienced mortgage professional can help you find the best loan for your individual needs.

Thank you for requesting my free report. I hope you found the information helpful. If you'd like more information at no cost or obligation about how I can help you save thousands of dollars when refinancing your home, please contact me, Chris Walker at 919-636-4862.

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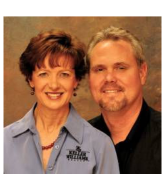

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