

IS IT TIME TO REFINANCE?

When interest rates take a welcome decline, its a good time to start evaluating the benefits to refinancing your home mortgage, especially if you have an adjustable-rate mortgage. Often, rates on new, 30-year, fixed-rate mortgages are lower than what many homeowners are paying or soon will be paying on their existing one-year adjustable mortgages. If you fall in this category, refinancing will be most appealing.

Nevertheless, if you missed the last refinance bandwagon and you have a fixed-rate mortgage you may also be due for substantial savings if you take the opportunity to refinance. On the other hand, you may be planning to purchase a new home and be able take advantage of the lower interest rates that way.

Whatever the case may be, refinancing can be expensive; therefore, you should consider what the interest rates may do in the future, what your monthly savings will be, what your closing costs will be and how long you expect to own your current home. If you expect to move in four to five years you probably won't see the savings in refinancing to make its cost worthwhile.

By shopping around with the various lenders you can find the best refinance option to meet your financial situation. You'll want to make the appropriate financial analysis to determine the best time to lock in a favorable rate and refinance your mortgage.

Finally, when refinancing you may be able to save on title insurance by obtaining your lender's insurance coverage at its re-issue rate. You may possibly obtain an additional discount on the title insurance cost where you purchased your house within the last few years and you are procuring your title insurance from the same title insurance company. Make sure you inquire about these potential cost savings.