



Is It Time to Explore Refinancing?

Refinancing your home loan to a lower interest rate or shorter term may result in significant savings. And as economic conditions change, you want to be sure you still have the right home financing arrangement for your current and long-term financial goals. Is refinancing right for you, right now?

This information may help you decide:

Lower Monthly Payments.

Shorter Mortgage Term.

Build Equity Faster.

Access Tax- Deductible Funds.

How far below what you now pay do interest rates have to go before refinancing makes sense?

That often depends on how long you plan to stay in your home. Typically the fewer number of years, the wider the spread needs to be. You may want to contact a mortgage professional to help you weigh the cost of refinancing against the projected monthly savings you may realize. Lenders may run a net tangible benefit test to see if refinancing makes sense for you.

How much time and money will it cost to refinance?

Again, that will depend on your specific financial profile. Applying for a refinance loan involves a process similar to getting a home purchase mortgage, and you will be charged certain fees. There are programs available that can reduce the amount of documentation required – which can speed up the time it takes to complete your loan. A mortgage professional can provide you with the items necessary to refinance your mortgage and estimate the cost associated with refinancing your mortgage loan.

Should you choose an ARM or a fixed-rate mortgage?

Most ARMs (Adjustable Rate Mortgages) adjust annually, either up or down. So even at a below-market start rate, it's possible your ARM interest rate could soon exceed current interest rates. If you plan to remain in your home for a short period, an Intermediate ARM, with a low introductory rate that remain fixed for several years before the first adjustment, may be suited to your needs. A mortgage professional can run various loan program scenarios to help you balance all the factors and make an informed decision.

I'm here to help you work through this process and answer any questions you may have. I encourage you to e-mail me at ndurst@p-s-b.com or call me at 309-693-9494 ext 404 if you have interest in other topics pertaining to the mortgage industry.



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