

# Should I Refinance?

New lower interest rates may lower your monthly payments on your home mortgage and other consumer debt. As your home loan expert, I can evaluate your existing mortgage and show you the amount you may save with a new home mortgage.

Whether or not you can save money depends on the terms of your existing mortgage loans and any other debt. Many homeowners save quite a lot of money on a monthly basis, or over the life of their loan, by refinancing a mere ¼% below their existing rate. Again, it all depends on the terms of your existing loans.

There are three ways to save money on refinancing your loans with a new home mortgage.

- 1) Interest on your mortgage. Interest is the amount of money above the amount you borrow for the use of your borrowed funds. If you lower this rate over the same life of the loan you will save money on the cost of your mortgage.
- 2) Interest on your other installment loans. If your existing mortgage is less than the current value of your home, you may be able to bundle other loans such as credit cards, car loans, and other consumer debt into your home mortgage. This could cut the interest rate you pay on these balances by as much as 50%.
- 3) Your federal and state income taxes. For most mortgage loans, the interest you pay is deductible on both federal and state income taxes. However, most interest on all other personal loans such as auto and consumer debt is not deductible. By consolidating your other loans into a home loan, you may save on taxes equal to 20 to 40 percent of your interest payments, depending on your tax bracket.

I have provided a chart that may help guide you through some preliminary calculations on your monthly payments. Please call me for a more accurate and thorough analysis. I will work closely with you to ensure that you get all the information you need to come to a good decision.