

MANAGING YOUR MONEY



Experts Offer Tips On Refinancing Your Mortgage

(NAPSA)—With mortgage rates at nearly historic lows, many consumers are using this as an opportunity to refinance their mortgage.

However, even with lower interest rates, refinancing may not be a bargain for everyone.

That's why the experts at the National Association of Mortgage Brokers, the only national trade association representing the mortgage broker industry, think that consumers should consider the following tips before refinancing:

- Be aware of all fees and closing costs that you will incur. Refinancing your mortgage is not free. Consumers need to ask their mortgage originator to provide, in writing, all costs that will be incurred in order to complete the refinancing process.

- Just because the interest rate is reduced, it does not mean you will save money. A reduction in monthly payment alone does not always constitute savings. Consumers should compare the total remaining payments of their existing loan to the total payments on the new loan plus closing costs to determine the actual savings.

- Shop and compare. It never hurts to call other originators to compare interest rates and the total cost of closing your refinance.

- Understand the new program that you are getting into. If your old loan was a "fixed" program and your new loan is "adjustable," make sure you have



A lower interest rate does not necessarily mean you will save money by refinancing your mortgage.

a clear understanding of how much your new monthly mortgage payment will be, the exact period of time that the monthly payment is good for, and how the adjustment works.

- Ask how long the offered rate is good for and if you need to lock it in. Whatever rate your mortgage originator offers for the refinance, be sure to get the rate in writing. Also, get a written guarantee of how long that rate is good for—30 days, 45 days or more.

- Ask if your mortgage originator is a member of the National Association of Mortgage Brokers. These brokers adhere to a strict Code of Ethics and Best Lending Practices.

To find a mortgage broker in your area, go to NAMB's Find a Broker service on its Web site at www.namb.org.