



## **Mortgage Refinancing**

**Free Book**

Courtesy of  
[Refinance.FindYourHere.com](http://Refinance.FindYourHere.com)

REFINANCE.FINDYOURHERE.COM  
COPYRIGHT ©

**FREE BOOK**

## Copyright Notice

Copyright © 2007 3827992 Canada Inc. All Rights Reserved.

All content contained in this book is copyright © 2007 3827992 Canada Inc.

All literary work contained within this book belongs to and is the sole property of its respective authors and is reprinted with permission.

**NO RESALE RIGHTS ARE ACCORDED WITH THE RECEIPT OF THIS BOOK!**

**This book may be given to a third person as a gift but cannot be modified in any manner.**

Reproduction, copying, or any other form of use of the pieces contained within the book is STRICTLY FORBIDDEN without express permission from the author him or herself. If perjury is discovered the offenders will be prosecuted to the full extent of the law.

These rules have been established to protect the rights and ownership of the authors and to ensure that their work is upheld as their own.

# Mortgage Refinancing

---

## Table of Contents

Mortgage Refinancing .....	2
Why Should You Refinance Your Home Mortgage? .....	6
How to Refinance Your Mortgage.....	8
Benefits to Refinancing Your Mortgage .....	10
Mortgage Refinancing Tips.....	12
Private Mortgage Refinancing.....	14
Selecting a Mortgage Refinancing Company .....	16
Mortgage Refinancing Gone Wrong .....	18
How to Refinance Your Home with Bad Credit.....	20
How to Refinance Mortgage after Bankruptcy .....	22
Mortgage Refinancing Scams .....	24

# Mortgage Refinancing

## Mortgage Refinancing

The term "refinance" refers to when you apply for a second loan in order to pay off another loan that was secured against the same property or asset. In our case, we are talking about mortgage refinancing, which is quite tricky to do properly. Home refinancing is an option that is done when you will apply for a second loan to pay for the first one, which also holds a mortgage on your home. Taking this step has different advantages that you need to think about.

Mortgage refinancing makes it possible to gain extra money while lowering the amounts you pay monthly for your mortgage. As you can realize, such an option is highly popular and is rarely missed when the opportunity appears. This is because your home is usually the biggest asset you hold and mortgage payments are usually the biggest expenses you have.

When you go for a mortgage refinancing you will use your house as an asset and you will reduce your monthly payments. As you can imagine, this brings extra money in your pocket because you take advantage of the equity available in your home.

Understanding mortgage refinancing can be a difficult but when you do, you will realize that everything is actually simple. When you bought your house, you were hit with some interest rates that were dictated by the financial environment of the time plus a few other factors like the down payment you offered or the credit rating you obtained.

Interest rates fluctuate and at some moments in time the Federal Reserve will enter in a rate cutting period. This means that the interest rates on the market will be lower than the ones you had when you purchased the house. This is the perfect setting to go for mortgage refinancing. By doing this you will end up changing a higher interest rate for a lower interest rate. This will sum up to lower monthly payments and extra cash in your pockets.

With mortgage refinancing you can also profit from another very important advantage. We are talking about shortening the term of mortgage. For instance, let us think about a mortgage scheduled for 30 years. With mortgage refinancing, you can cut down that period to 20 years or less. It is clear to see that this move will save money you would end up paying in interests. A lower refinance rate will also turn

# Mortgage Refinancing

in higher equity if you maintain the same monthly payments as more of it will go towards your principal.

People will also use mortgage refinancing to switch from an adjustable rate mortgage (ARM) to a fixed rate mortgage. ARM offer various advantages but if interest rates increase this will not be an advantage at all. If you know that your financial future is stable you should switch to a fixed rate mortgage and you can do this through mortgage refinancing. This also brings more security because no matter how the market evolves, you will still have a fixed amount to pay.

Mortgage refinancing is sometimes available through cash out refinancing, which is different than getting a loan to pay the old mortgage. This can be done because you can use the equity you built in your home. You can refinance everything for an amount that will be higher than your principal but will bring in extra funds as cash. You can thus use the money for various possibilities available to you at the moment.

It is very important that you analyze everything before using mortgage refinancing. You might need specialized help but the benefits are quite obvious.

Want to know more about mortgage refinancing? Visit the [Mortgage Refinancing Ebook](#) site.

# Mortgage Refinancing

## Home Equity Refinancing

Understanding home equity refinancing is not as difficult as it seems. It all breaks down to a home equity line, which is a type of revolving credit in which your home is stated as collateral. The largest asset an individual usually has is his home and this makes it possible to gain the biggest amount of money out of credits when taking equity lines.

This is not usually done for small expenses and most people will utilize home equity refinancing when dealing with the need to undergo major changes like home improvements, paying unexpected medical bills or education.

When dealing with home equity refinancing, you will be approved for a specific amount of credit. This varies on different factors and is based on the increased value of the house as the years pass combined with other things like salary and the amount of other loans you might have taken and not yet paid in the past.

The credit limit is the maximum amount you can loan through home equity refinancing. In most cases the limit will be made out of a percentage of the value of the house minus the value of the existing mortgage. If you take advantage of home equity refinancing after you already paid half of the first mortgage linked loan, you will be tagged with a higher home equity line than when taking it after just a quarter was paid.

Your credit history is also very important when dealing with home equity refinancing. It is so as lenders will also factor this in as risks together with different other factors that influence your ability to repay the debt. For instance, once you filed bankruptcy you will be less likely to receive the same benefits from equity as before that point in time.

With home equity refinancing you can get different types of equity plans. Most of them will be stated for a fixed number of years. When the period ends you may or may not be allowed to renew the line of credit. In most cases you will be able to do this but there is also the possibility that you will not so be sure to think about this when signing for home equity refinancing. Some plans available will ask of you to pay outstanding balance at the end and there are various options available for repayment.

# Mortgage Refinancing

---

When you get approved for a home equity line of credit, you can take advantage of home equity refinancing with an amount that can not exceed your limit. The good news is that you can do this whenever you want to. Different benefits are offered in some cases. The most popular example stands in specially issued credit cards that will make it possible for you to draw money on the credit line. You basically get that fixed amount of money and you can use it or not but you must pay it back.

Home equity refinancing is different than other lines of credit as its main asset stands in your home. You can also get credit lines based on your salary but this is something different and will only get you a smaller amount of money.

Home equity refinancing also comes with various limitations. Based on the plan you take, you might be required to draw a minimum amount each time you take advantage of the credit line while keeping a minimum outstanding amount. Other plans will also require that you will take an initial amount of money out as an advance when setting up the line.

Home equity refinancing is usually utilized when dealing with different types of second mortgages and it is a very popular solution to the problem of unplanned, immediate need of money.

Click here for more on [home equity refinancing](#).

# Mortgage Refinancing

## Why Should You Refinance Your Home Mortgage?

One of the most often met questions when dealing with individuals that have a mortgage is "Why should I refinance my home mortgage?" The simple answer to this question is: "You should refinance your home mortgage because you will gain money from this process!" While it is simple to lay out the main benefit, there is also a need to properly understand home mortgage refinancing in order to be sure that it is a good move.

Your current mortgage is probably based on an adjustable rate mortgage or fixed rate mortgage. Both have different advantages and disadvantages but one thing is sure in both cases: the market changes and so does the value of property and interest rates.

With this in mind it is easy to understand that a change in interest rates means you would pay less money in interest when dealing with mortgages. As a general rule of thumb, if the current market interest rates are lower by at least 2 percent than the interest rates you are paying, it is probably a very good idea to refinance your home mortgage.

We already stated that by refinancing your home mortgage you gain money. Let us see how this is possible. The first financial benefit stands in the interest rates already mentioned. If you change your constant mortgage plan to a new one that shows lower interest rates you will end up paying less every single month.

On the other hand there are also fees linked to refinancing home mortgages. You need to take a look and analyze the topic at hand in order to see whether the money you gain sums up to a higher amount than the fees you need to pay. With this in mind, the first possible benefit is very clear.

We also need to talk about the period of the loan. When refinancing home mortgage you can opt in for a longer period in which to repay the amount loaned. This will bring in a longer timeframe until the loan will be paid but will also bring in the possibility of paying less each month.

You thus have some extra money gained that you can use for personal needs or you can invest in order to gain even more. This practice is very common and refinancing home mortgages is usually done in order

# Mortgage Refinancing

---

to gain the two main benefits mentioned above: lower interest rates and the increase in timeframe of payment.

Your house is usually the biggest asset you own. As time passes, it rises in value because of real estate market evolution or because you added some benefits to your home. With this in mind we are talking about a higher value of your home. This immediately translates in the possibility of utilizing home equity in refinancing your home mortgage. If we are dealing with lower interest rates, an increase in period of repayment and utilizing the new home equity available, we get to a sum of money that can be quite impressive in most cases.

To put it all simple, you should refinance your home mortgage because you will get more money out of it. The key to doing properly is analyzing the three aspects mentioned above and contacting various mortgage brokers that can provide you with different offers. You can also stick with your current mortgage broker and renegotiate the terms in order to gain financial benefits.

This is usually available for a standard fee. You need to consult the benefits and see whether or not it might be better to switch mortgage brokers.

Still unsure? Click here for more on [why you should refinance your home mortgage](#).

# Mortgage Refinancing

## How to Refinance Your Mortgage

Refinancing your mortgage is a very good move that you can do but there are also different possible problems that need to be understood in order to gain something out of the move. In learning how to refinance your mortgage you will need patience and time to analyze different factors that are a part of mortgage refinance.

Most people will undergo this option in order to gain profits from lower interest rates seen on the market and reducing monthly payments. Refinancing a mortgage actually means paying off your old mortgage and signing a new loan attached to a new mortgage.

The biggest problem you might face when learning how to refinance your mortgage stands in understanding the difference between the interest rate you are paying now and the current interest rates you can find on the market. As a general rule of thumb, people should consider refinancing their mortgage when the interest rates are lower by at least 2% when compared to what they are paying at the moment. On the other hand, there are other factors besides current interests that you need to analyze.

For starters, we have tax deductions or/and obligations. When taking in a lower mortgage interest rate you will also pay less interest every single year. This means that you will have less interest to deduct from your income when thinking about taxes.

Your income tax liability will rise and must be covered from the financial benefits you gain from the refinance process of your mortgage. You must also think about the fact that some refinancing costs are also tax deductible during the year when it takes place. In order to properly know the tax system that is applied you need to ask for specific information from your local IRS office.

Another important aspect to understand when thinking about how to refinance your mortgage stands in the living expectancy you have for the home in question. If you plan to live there for 3 years or less you might end up not having enough time to cover the costs of refinancing. As an example, let us take the case in which refinancing your mortgage will end up saving you \$60 per month. On the other hand you have the closing costs to deal with that sum up to \$5000. This means you will need 7 full years to cover your expenses.

## Thank You for previewing this eBook

You can read the full version of this eBook in different formats:

- HTML (Free /Available to everyone)
- PDF / TXT (Available to V.I.P. members. Free Standard members can access up to 5 PDF/TXT eBooks per month each month)
- Epub & Mobipocket (Exclusive to V.I.P. members)

To download this full book, simply select the format you desire below

