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## **Is it Time to Refinance Your Mortgage Loan?**

July 2, 2019 - Mortgage loan rates are once again at near historic low levels. This may be a great time to consider refinancing your current mortgage to gain some real benefits. It appears many Americans are doing just that. According to the Mortgage Bankers Association, applications to refinance a home loan were up 92% annually last week.

“By taking the time to refinance, the lower rate can mean a lower payment or the opportunity to shorten the term of the loan without a significant impact on the payment amount,” explained Ron Cannon, Vice President of Mortgage Lending at Interra Credit Union, Goshen.

“If a borrower has an adjustable rate mortgage (ARM), it may be a good idea to consider converting to a fixed rate loan, especially with rates as low as they are,” he added.

Make sure to find about any costs associated with the refinancing process. Customarily, they may include, but are not limited to: application and origination fees, appraisal, title insurance, filing fees and others. Depending on the fees and costs, the money saved with a lower rate may still be the way to go.

Refinancing will make the most sense if you plan to stay in your current home for several years. “Your lender can help you determine approximately how long it will take to ‘break even’ if you refinance your mortgage,” Cannon said.

When a borrower refinances a mortgage loan, it is a new application and will require a new underwriting process. The lender will consider the amount of equity you have in your house, your current income and your credit, among other criteria. “Borrowers will be asked to update documentation, such as W2s, proof of insurance and other related items,” he noted.

Cannon said that a helpful tool for borrowers is to use an online mortgage refinance calculator. “There are many out there,” he said. “At Interra, we have one on our website at [interracu.com](http://interracu.com).”