



Tips to

# REFINANCE YOUR HOME

**Tip #1: Too many credit inquiries within a short time period could lower your credit score**

Given the state of the housing market, it's never been more important to understand your finance options and receive expert counsel before taking action. Here is a tip you can use right away: Don't have your credit checked (other than doing it yourself) until you have a better idea of what the best loan program will be for you. Too many credit inquiries within a short time period could lower your credit score.

## **Tip #2: Great Time to Refinance**

With interest rates still relatively low and home prices on the rise, now may be a great time for you to refinance your home loan. Perhaps you want to:

- **Make home improvements**
- **Pay off high interest credit cards**
- **Secure money for college**
- **Restructure your loan (e.g., switch from ARM to fixed)**
- **Convert to a shorter-term mortgage**

Here at Advantage Lending Corp, it's our job to understand your specific needs and provide you with sensible options. Together, we can determine which loan program best meets your needs.

## **Tip #3: Can You Afford to Refinance?**

Still up in the air about whether refinancing is right for you? Don't let cost be a deterrent, as we can introduce you to zero-point and no-cost programs that can minimize your out-of-pocket expenses. Typical refinance costs can run between 2% and 6.5% of your current loan amount. Other fees may include:

- **Appraisal fees**
- **Application fees**
- **Survey costs**
- **Points**
- **Recording fees**
- **Attorney review fees**
- **Mortgage insurance**
- **Real estate tax and hazard insurance escrows**
- **A prepayment penalty**

## **Tip #4: Refinancing to Save Money**

If you're considering refinancing to lower your monthly mortgage payment, there are three important questions to ask yourself before deciding on a course of action:

- **How much money will I save?**
- **How much will it cost me to refinance?**
- **Are the savings great enough to justify the cost?**

Refinancing to save money is like making an investment; you need to weigh the initial cost against your long-term savings. For instance, zero-point and no-cost refinance programs are attractive, but they may come with a higher interest rate.

There's no reason for you to wade through all the available loan programs to figure out the one that gives you the best return on your investment. That's our job, just give us a call!

## **Tip #5: Fire Safety and Refinancing**

Refinancing can be a great strategy to save money or reach other financial goals. It is equally important to make sure your home provides a "safe haven" for you and your family for many years to come.

With that in mind, here are some useful tips on fire prevention.

- **Install smoke detectors on every level, especially outside bedrooms. Test them regularly and change the batteries at least once a year.**
- **Have an escape plan. Everyone should be aware of two ways to exit each room to avoid walking through smoke. If that's your only option, crawl close to the floor, where the air is cooler and cleaner.**
- **Establish an outside meeting place where everyone will go if evacuation is necessary.**
- **Make sure your home address is clearly visible from the street, so emergency vehicles can locate you quickly.**
- **Create a 30-foot safety zone around your house that's free of flammable vegetation.**
- **Keep fire extinguishers in the kitchen and garage and be sure everyone knows how to use them.**
- **Clear the roof and gutters of leaves, needles, and dried twigs.**
- **Store firewood away from the house.**

## #6: Locking In Your Refinance Rate

You've received lots of valuable tips from us over the past few weeks to help you decide whether refinancing is right for you. Today, our focus is on locking in a mortgage rate, which is very challenging, since rates fluctuate continuously.

When you lock a rate, you're banking on the fact that interest rates will rise over the short term (typically 45 to 60 days). You 'win' if that happens. However, you can 'lose' if the opposite occurs.

No one can predict with certainty what interest rates will do over a short period of time. However, you can help set yourself up for a good outcome by knowing the answers to the following questions:

- 1.How long can you lock the rate?**
- 2.What happens if the lock expires, and the loan isn't closed?**
- 3.Can the lock-in period be extended?**
- 4.What happens if interest rates fall during the lock period?**

## Tip #7: Refinancing and Your Appraisal

How much is your house worth? You may have a figure in mind, but you'll need to hire a professional appraiser to evaluate your property before you jump into the refinance process.

We can help you get the appraisal process started. To get an accurate and timely appraisal, you'll want to provide the appraiser with the following information:

- Survey of the house and property**
- Deed or title report showing legal description**
- Recent real estate tax bill**
- List of personal property that would be sold with the house**
- Copy of the original plans and specifications**
- Date of purchase and the purchase price**
- List of recent improvements**

As a general rule of thumb, you should consider refinancing if you can recoup the finance charges within 48 months or less.

We have clients that have heard that it only makes sense to refinance if you can lower your interest rate by at least 1%, but we find that's not always the case.

Every situation is different, and you deserve to know what your options are. We'd be happy to meet with you to discuss whether refinancing now makes sense for you. Let's crunch the numbers together.

Please give us a call at (248) 608-RATE to get started.

Sincerely,



Daniel Litvin  
Advantage Lending Corp  
804 N Main St, Ste 1A  
Rochester MI 48307  
Phone (248) 608-RATE  
Email: [dlitvin@AdvantageLendingCorp.com](mailto:dlitvin@AdvantageLendingCorp.com)  
Website: [www.AdvantageLendingCorp.com](http://www.AdvantageLendingCorp.com)  
Company NMLS # 128031  
Personal NMLS # 134188