

Mortgage Rates Drop

Dear Clients and Friends,

Over the past week, mortgage rates have dropped to a historical five decade low. We encourage you to look at your mortgage rate to see if refinancing makes sense. Consider yesterday's rates for those with good / great credit and some home equity:

- 30 year fixed with no points is 4.5%
- 15 year arm with no points is 4%
- 10 year arm with no points is 3.875%

If you don't have great credit and / or your equity is low, you still may be able to refinance with a decreased rate. It is definitely worth a phone call.

It's important to compare apples to apples when quoting mortgage rates. For example, if you wanted a no points and no closing cost, you would increase the rate above by 1/2 of 1% in today's market. So for a 30 year fixed rate loan, the rate would be 5%. To qualify for a no points / no closing cost loan, you typically need a loan amount over \$200,000. The decision on whether to pay closing costs depends on how long you plan to own your home, the current interest rate environment and your ability to fund the closing costs out of cash.

We have several great mortgage contacts if you would like our assistance in reviewing these refinancing options. Please feel free to give us a call!



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