

## Applying For Mortgage Refinancing

Mortgage refinancing is a process that involves applying for a new loan in order to take the place of your current mortgage. Mortgage refinancing can be of great benefit in many situations.

Most commonly, people refinance their mortgage to take advantage of a lower interest rate, allowing them to save money over the life of the loan. In most cases however, you will have to pay lender fees and other charges that are tied in with the new loan. If you do apply for this type of mortgage refinancing, make sure that the savings from refinancing will outweigh the costs of the transaction. It is also important to take into consideration the length of your stay in your home. Selling your home before you break even on the refinance will end up costing you more money than if you never refinanced your first mortgage.

Another situation wherein refinancing is a good idea is when the interest rate on an adjustable rate mortgage or ARM increases. If you anticipate an increase in your mortgage rates in the future, shifting to a fixed rate mortgage will allow you to avoid the higher interest rates later on. If you think rates are likely to go down in the long term, it may be smarter to refinance into a new adjustable rate mortgage.

If you are having difficulty paying your monthly mortgage costs, mortgage refinancing will not only extend the duration of the loan, but will reduce your monthly payments as well. Keep in mind though that while this will help you out of a financial trouble spot, you will actually be paying more total interest for the duration of the loan. And again, if you are not able to get a lower interest rate on your new mortgage loan, the time it would take to cover the cost of the upfront closing costs could be longer than you plan on staying in the home.

When applying for mortgage refinancing, you should consider factors such as how much saving you can expect each month, as well as what refinancing will actually cost you. To estimate whether or not its worth it to refinance, simply multiply your monthly savings by the number of months you plan to stay in you home. After that, deduct the total costs of the various fees that you will incur with the new loan. If you end up with a negative number, you will lose money on the refinancing. If you go for refinancing, you will be in a better position to either break even or save money if you live in your home for a longer period of time. Even if the rates that you will pay on the new loan is only a little bit lower than what you are currently paying, mortgage refinancing may still be a beneficial course of action. Topics of interest [Mortgage calculator](#) . [Mortgage rates](#) . [Mortgage refinancing](#) .

## About the Author

Read more on refinance, stop in at .

Source: <http://www.articleskinny.com>