

## **MIRALEX MORTGAGE INC.**

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### **Refinance Mortgage Tips:**

Refinance mortgage rates can very well be different than purchase money rates as in some cases adding to the loan amount in order to consolidate debt, increases it beyond the conventional limit. Another factor that plays a role here is the fact that a lot of refinance mortgage programs will have an "add on" to the cost simply because it involves cash out. The reason for that is the perceived higher risk associated with a borrower who is cashing out equity.

The cost of obtaining new financing will also be effected by; Documentation level, occupancy and credit score.

There are a number of factors that can influence your decision, and that's why we have included a complete mortgage calculator set to help you to determine it's feasibility.

Rates being lower than your present one may not always be a good reason to refinance. Things to consider include but are not limited to; will you save in the total interest charges? What are the tax consequences? Can you include other debt and do a consolidation refinance? What will I do with the extra cash flow created, if any? The appropriate mortgage calculator can be very useful and eye opening.

If your simply need to consolidate a few credit cards, then you should also consider a home equity line of credit. You may very well be able to consolidate your debt without incurring the costs associated with a full blown refinance of your mortgage. Take your time and use the appropriate mortgage calculator to determine a course of action that will benefit you in the long run.

### **Consolidation of Debts:**

Consolidating all of your debts into one lower interest loan can reduce your monthly payments.

Enter each one of the debts that you would like to pay off, along with their corresponding principal balances, interest rates, and monthly payment amounts. Once you have all your debts entered, make any desired changes to the "New Loan Information" default entries and then click on the "Calculate New" button.

The single most popular reason to refinance a mortgage loan is to consolidate debt, and here we bring you a tool that will assist you in determining the consequence.

One important factor to consider in a debt consolidation is very often overlooked, is it's effect on the total interest that you will be paying in the long run. Have you considered that, or are you replacing short term loans with a long term one?

How old is your mortgage? How many years are you adding to the payments?

### **Fixed Rate Mortgages:**

This is most useful if you are contemplating a fixed rate mortgage refinance as it will clearly demonstrate what portion of total interest you have already paid, and how the refinance will effect your interest liability.

### **Tax Benefits**

Interest payments on a home mortgage loan are tax deductible, which means you can afford to make a higher payment compared to rent.

Tax deductibility in a cash out refinance mortgage may be limited, so it is always wise to check with your tax preparer before deciding.