

Why should I refinance and when does it pay to do so?

Mortgage Refinancing Worksheet

Use this worksheet as a guide to help you:

- estimate a refinanced mortgage payment amount (Step 1) and to
- help you determine if it's worth your while to refinance your existing mortgage (Step 2).

Step 1: Calculate your new, refinanced mortgage

<input style="width: 90%;" type="text"/>	+	1000	=	<input style="width: 90%;" type="text"/>	x	<input style="width: 90%;" type="text"/>	(next line)
loan amount				number of increments			
<input style="width: 90%;" type="text"/>				=	<input style="width: 90%;" type="text"/>		
\$ value of rate of 15/30 year term (use an amount from the 15 or 30 yr. column using the chart below)					amount of new, refinanced mortgage (place this amount in Box B on the next page)		

Rate %	Term		Rate %	Term	
	15yr	30yr		15yr	30yr
4	7.40	4.77	6 1/8	8.72	6.33
4 1/4	7.52	4.92	6 3/8	8.78	6.41
4 1/2	7.65	5.07	6 1/2	8.85	6.49
4 3/4	7.78	5.22	6 3/4	8.92	6.57
5	7.98	5.36	7	8.99	6.65
5 1/8	7.95	5.44	7 1/8	9.06	6.74
5 1/4	8.02	5.52	7 1/4	9.13	6.83
5 1/2	8.09	5.60	7 3/8	9.20	6.91
5 3/4	8.16	5.68	7 1/2	9.28	7.00
5 3/8	8.23	5.76	7 5/8	9.35	7.08
5 1/4	8.30	5.84	7 3/4	9.42	7.17
5 1/2	8.37	5.92	7 7/8	9.49	7.26
6	8.44	6.00	8	9.56	7.34
6 1/8	8.51	6.08	8 1/8	9.63	7.43
6 1/4	8.58	6.16	8 1/4	9.71	7.52
6 3/8	8.65	6.24	8 3/8	9.78	7.61

Step 2: Calculate whether it makes sense to refinance

<input style="width: 90%;" type="text"/>		<input style="width: 90%;" type="text"/>	Box A: Enter the monthly amount of your current mortgage.
-	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	Box B: Enter the monthly amount of your new, refinanced mortgage by completing Step 1 on the prior page or by getting this information from a mortgage lender.
=	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	Box C: Subtract the amount in Box B from Box A. The result will be your monthly savings if you decide to refinance.
+	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	Box D: Enter the total costs to refinance your mortgage (appraisal, loan, title search fees, etc.). Get this information from a mortgage lender also.
=	<input style="width: 90%;" type="text"/>	<input style="width: 90%;" type="text"/>	Box E: Divide the total cost to refinance (Box D) by the monthly savings (Box C). Enter the resulting amount (Box E), which is the number of months it will take you to recoup the costs of refinancing. If you plan to live in your home longer than the amount in Box E, refinancing makes economic sense!