Moreira Team Is Helping Seniors Refinance Their Mortgage for Better Interest Rates or Lower Monthly Payments

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Atlanta-based boutique mortgage provider Moreira Team is helping seniors in Georgia understand the steps they need to take to refinance their mortgage.

Refinancing a mortgage gives homeowners a chance to get a quick infusion of cash or to save money in the long term on one?s existing mortgage. It is particularly enticing to older homeowners who might be thinking of retiring or have already retired and want to be fully or partially free of a major financial responsibility before they hit a particular age.

There are two ways to refinance a mortgage ? a rate-and-term refinance or a cash-out mortgage refinance. A rate-and-term refinance, as the name suggests, allows homeowners to take advantage of lowered interest rates or change the mortgage?s term. As interest rates keep on changing as the economy strengthens or weakens, with a rate-and-term refinance, homeowners can get a better deal for paying off the remaining balance on their existing mortgage.

Alvaro Moreira, a representative for Moreira Team, explains the benefits of a rate-and-term refinance by saying, ?Suppose you have $500,000 left to pay off on your current mortgage which you had locked in at a 5% interest rate. If interest rates were to fall to 4%, with a rate and term refinance, you can pay off the remaining amount at the lower interest rate. You can also change the number of years that you are liable for the mortgage by either increasing or decreasing it. If you increase the term of the mortgage, you will have a lower monthly payment. If you decrease the term, your monthly payment will increase but you can pay off the remaining amount quicker and save money in the long term. Moreover, with a rate-and-term refinance you can also switch from an adjustable-rate mortgage to a fixed-rate mortgage and eliminate private mortgage insurance. Depending on your current financial health, this may just be the option you need to build a better future for yourself.?

Being eligible for a rate-and-term refinance is dependent on an individual?s credit score and the amount of equity that they have in their property. Less equity means that a homeowner will have to pay a higher interest rate. Homeowners with higher credit scores also qualify for lower interest rates. Mortgage providers will also look at one?s current income and occupation to determine whether they want to grant the refinancing.

Another refinancing option is cash-out refinancing. Cash-out refinancing takes advantage of rising property values so that the homeowner can get money based on the equity they already have in their property. So, a homeowner essentially uses their property as collateral to take out a new mortgage. Depending on how much of their existing mortgage they have already paid off, the difference is paid to them in cash. This money can be used to pay for anything they deem fit such as medical emergencies, repairs, college tuition, business ventures, or to pay off other debt which has a higher interest rate.

The amount of money that a cash-out refinance can net a homeowner depends on the loan-to-value (LTV) ratio and the homeowner?s credit score. Depending on the interest rates mandated by the Fed at the time, a cash-out refinance can result in higher interest rates and additional closing costs.

Alvaro explains the best way to approach the refinancing process by saying, ?Different mortgage providers will offer you different quotes for the costs associated with refinancing. Try to get several quotes and then pick the best option depending on how the future looks for you and your family members. Remember, fees can be negotiated. Since refinancing takes time, plan to spend a few weeks on the process. If you are still overwhelmed with the options or need advice pertinent to your financial situation, you can always rely on Moreira Team. We believe in fully representing your financial interests and helping you achieve your long-term goals. We can close a mortgage refinancing in as little as 17 days and get you started on your new journey.?

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Here at Moreira Team, we?re a close-knit group of mortgage rock stars operating together with one purpose: to simplify home financing for borrowers just like you.

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