



Is it time for you to refinance?

This worksheet can help determine whether refinancing is the right step for you. First, write down your current monthly mortgage expenses. Then use the interest-rate table (below) to estimate what your monthly payments would be on a new loan at a lower rate.

For example, if you can get a rate of 7.25 percent on a \$125,000 loan, you'd pay \$852.50 per month (\$6.82 from the table multiplied by 125 for the number of thousands of dollars you are financing equals \$852.50). Subtract this figure from your current payment to determine what your gross monthly savings would be.

Finally, add the transaction costs you will incur – points, appraisal, attorneys' fees, and the like. Divide the total by the monthly savings. This will tell you how many months it will take to recoup your costs. It probably pays to refinance if you plan to stay in your current home longer than this period.

Computing Your Monthly Payment on a 30-Year Loan

Rate	Payment
7.00%	\$6.65
7.25%	\$6.82
7.50%	\$6.99
7.75%	\$7.16
8.00%	\$7.34
8.25%	\$7.51
8.50%	\$7.69
8.75%	\$7.87
9.00%	\$8.05
9.25%	\$8.23
9.50%	\$8.41
9.75%	\$8.59
10.00%	\$8.78

Worksheet

- Your current monthly mortgage payment:** \$ _____
(excluding insurance & taxes)
- Monthly payment for your new loan:** \$ _____
(use chart at left to figure)
- Closing costs:** \$ _____
(points, fees for application, attorney, appraisal)
- Monthly saving:** \$ _____
(subtract line 2 from line 1)
- Number of months you'll need to stay in home to recoup cost of refinancing:** \$ _____
(divide line 3 by line 4)

*for each \$1,000.00 of principal