

## Good News for People Who Want to Refinance Mortgage Loans

Are you considering whether its time to refinance mortgage loans? Then theres good news. As of the week ending July 18, 2009, interest rates for mortgages have dropped for three weeks straight. Rates briefly rose and seemed to presage a comeback, but then rates dropped to 5.14 percent. This is the lowest they have been since May 28. Although rates have yet to return to their record low, 4.78 percent, which they reached on April 2, rates are still temptingly low, making the prospect of a [refinance](#) appealing.

More and more people are taking advantage of the ideal market to refinance mortgage loans. Some lenders are finding that people who want to refinance mortgage loans compose up to 40 percent of their business, and only 60 percent of their market wants a mortgage for a newly bought house.

If you are considering jumping on the bandwagon, here are a few things you should know:

- \* When interest rates are low, your best bet is fixed rate mortgages. They allow you to lock in the prevailing low rates before interest rates make their inevitable climb back to their pre recession heights.
- \* If you need to refinance mortgages to deal with a financial crisis, look into the federal programs started to help struggling homeowners. If you want to keep your house but cant manage the mortgage, lenders are ready to help you rewrite your mortgage.
- \* Watch out for predatory lenders. Times are desperate, and so are many borrowers, so unethical lenders are out in force. Educate yourself on what reasonable mortgage terms look like. If a lender appears to be even slightly questionable, back out and find a new lender. No refinance is worth being saddled with a bad loan for the next 30 years.
- \* If you want to get a better interest rate on your mortgage, improve your credit rating. When you apply for a refinance, mortgage agents use your credit rating as a gauge of how likely you are to pay late or default. A higher likelihood of default means a higher interest rate to compensate for the added risk. To lower the range of interest rates you are qualified to receive, check your credit report. Contest incorrect information on it, improve your ratio of credit used to credit available, and take whatever other actions you can afford to take to raise your credit rating.

Its definitely a good time to refinance mortgage loans. Are you ready? Topics of interest [Mortgage refinancing](#) | [Mortgage calculator](#) |

### About the Author

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