



The most common question from refinance prospects is, "How do you know when a refinance makes sense", or "How do you know when a refinance is right for me"?

Here are 2 things to look for to determine if refinancing your home now makes sense . . . find what or which is most important for your situation. **Call me, Dennis Wilson, if you have any questions how title insurance can be of help!!!**

1. Are you going to be in the home long enough to make up the costs for refinancing?

If you are going to be in the home for only a short time, say 4-5 years, you might look into a refinance that comes with little or no costs, and especially look for a loan structure that comes without paying points. You need to see if the amount you are saving monthly will recoup the costs in time, AND put you in an equity position at the end

of those years better than where you would be now.

If your agenda is to just make your total out of pocket monthly costs come down, your angle in looking at this may be different. It's important you compare future loan amounts in your current situation to what your new loan would look like after a determined number of years.

If it saves you some monthly, but you go to sell your home in 5 years and you owe more than you would have if you didn't refinance, you may have just spoiled your intentions. If you would like me to look at what your current situation would look like in 5 years or some other refinance scenario, please contact me.

2. If you can afford your current payment, and maybe can afford an extra \$100 or \$200 more a month, have you considered a shorter term mortgage?

If you are currently in a 30 yr fixed loan and could afford paying a bit higher payment, rates are low enough on 15 yr and 10 yr fixed mortgages, that it's likely you can refinance into a shorter term and either keep a similar payment, or only take on a bit higher monthly expense, but BLAST away at principle.

For a \$200,000 loan in a 30 yr fixed mortgage, you would only pay down about \$18,000 in the first 5 years of your mortgage. In a 15 yr mortgage where your initial loan amount is \$200,000, you would pay down closer to \$52,000 in principle in the first 5 years of the loan. That leaves you \$34,000 better in just 5 years !!!

GIFT FROM IRS?

A tax return transcript shows most line items from your tax return (Form 1040, 1040A or 1040EZ) as it was originally filed, including any accompanying forms and schedules. It does not reflect any changes you, your representative or the IRS made after the return was filed. In many cases, a return transcript will meet the requirements of lending institutions such as those offering mortgages.

Call (800) 908-9946 and expect to wait 5-20 minutes, there is NO CHARGE for this service.

Call Dennis Wilson with any questions. I can help!



MORTGAGE REFINANCE BOOM!

This fall, the mortgage refinance boom is in full swing, as homeowners take advantage of record low rates by refinancing their home loans. But a home loan refinance is more complicated than it was a few years ago. Home values are lower and paperwork requirements are higher. It's easy to make mistakes while refinancing a mortgage.

To help you avoid some of the most common errors, here is a list of seven things you shouldn't do during your refinance.

- Change jobs
- Wait too long to lock your rate
- Start over with another 30-year term
- Disappear & ignore the lender's calls
- Be unrealistic of your home's value
- Do something that would change your credit report
- Renovate your house before the appraiser visits
- And the one thing to do is call Dennis Wilson at Investors Title (888) 579-8454 or (714) 392-5649



Are you a 1099 earner or a freelancer?

If you earn most of your income on 1099s, brace yourself for extra preparation, paperwork and discussion of your financial picture when applying for a mortgage.



Independent contractors will need to show that their income is stable and increasing. For some people, that may mean declaring all their income on their tax returns and not carrying anything over to the next year, even if it means paying more taxes.

Those applying for a mortgage this fall or winter should be prepared to provide year-to-date income. They look for consistency, so if you've worked for one client for four years, highlight that. If your spouse or partner has worked for a Fortune 500 company for a decade, put him or her on the application.

It's especially hard when it's two freelancers or freelancer couples. Lenders are concerned that there won't be steady enough income to make the monthly payments.

Here's some advice for home-buying freelancers:

1. Pay off other debts that you are comfortable paying off,
2. Pinpoint the source of the down payment.
3. The lender will take a harder look at your finances.
4. Be ahead of the game and be prepared.



We just wanted to take a moment to thank you for your business. We appreciate YOU!