



# Your Mortgage PLANNER

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with Jamie H. Harrington, President

## **GENERATING CASH VIA MORTGAGE REFINANCING**

This is a good time to refinance a home mortgage. Although interest rates are likely to increase in the coming months, they are still historically very low. Many homeowners are taking advantage of today's window of opportunity to refinance, lowering their interest rate and generate needed cash for home improvements or debt reduction.

"The current high number of cash-out refinance mortgage applications reflect, in part, borrowers responding to the fact that they may not be able to obtain such favorable rates in the future to fund home improvements, other big purchases, or debt pay-offs," said the deputy chief economist for Freddie Mac. "The strong cash-out activity is due to both borrowers who were going to do a cash-out refinance regardless of interest rate incentives and those who are primarily attracted by the low rates but decided to convert some equity into cash while they were at it.

"Based on our outlook for mortgage originations and refinance activity over the next year, we estimate the amount of home equity cashed-out through prime, first-lien refinances will total about \$69 billion in year 2006," the Freddie Mac economist noted.

*If you would like to discuss what type of mortgage loan will work best for you, call Jamie Harrington at 828-632-0650 for an appointment. United Carolina Group, Inc., is located at 340 NC Highway 16 S. in Taylorsville.*

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