



# Your Mortgage PLANNER

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with Jamie H. Harrington, President

## CHOOSING ANOTHER ARM

Homeowners with Adjustable Rate Mortgages (ARMs) feel the effects when interest rates rise. Many people respond by refinancing their ARMs, often choosing another ARM that will adjust upward if rates rise again. Statistics show that about 20 percent of all of those who refinance are in this group. Even people with fixed-rate mortgages may go for ARMs with lower initial rates. People make such changes for different reasons. Some want to free some money for home improvements or tuition, and others simply do it to acquire a good short-term deal in the five-to-seven percent range.

Does such a change make sense? Maybe--if the borrower will be moving before the new ARM rates approach current rates. The downside is that houses don't always sell when you need them to. Since payments during the first few years are mostly interest, the strategic re-financier won't accrue equity for a while after re-financing. It pays to get a professional evaluation of your total financial situation before taking the re-financing plunge.

*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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