



Your Mortgage PLANNER

with Jamie H. Harrington, President

LOAN PREPAYMENTS

Over the last few years the mortgage industry has seen a flurry of refinancing activity. Though most homeowners would benefit from discussing the economics of refinancing with their lender (even when their new rate would be as little as 1/2% to 3/4% below their current rate), some borrowers may benefit by accelerating the payoff of their mortgage.

“Principal curtailment” makes the most sense for someone who has a mortgage balance below \$100,000 and cannot recover quickly the costs of refinancing. It can enable a borrower to pay a loan down in half the time, through extra payments on the principal of the loan.

Most mortgage loans contain a clause that will allow the borrower to prepay the loan. If you want to consider exercising this option, you would be wise to first discuss the possibility of refinancing. If prepayment wins in the analysis, inform your lender that you want to begin making extra payments and find out what you need to do to make sure your extra payments are applied to the principal balance.

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 493 NC Highway 16 - Suite 2, in Taylorsville.

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