

Title:

Do You Like What The Mortgage Calculator Tells You?

Word Count:

553

Summary:

You've heard all the mortgage stories and liked some. Now you want to know what it is going to cost you when you take out a refinance mortgage. The best and accurate source of information is the online mortgage calculator. But do you like what's it's telling you? Whatever it is, take heed.

Fact vs. Fiction

The sky is not falling and so are interest rates. But you can still find a comfortable rate that's up your alley. Just take a long, hard look at the mortgage calculat...

Keywords:

mortgage calculator

Article Body:

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Fact vs. Fiction

The sky is not falling and so are interest rates. But you can still find a comfortable rate that's up your alley. Just take a long, hard look at the mortgage calculator after you've punched in your numbers.

You can use the online mortgage calculator to work out your monthly payments towards a refinance. The result will be based on the following:

1. selling price of your home.
2. the desired loan amount.
3. the preferred loan term.
4. percentage of downpayment.
5. interest rate of the loan.

6. percentage of Private Mortgage Insurance to be put up.
7. local property taxes.

The sum total will show the monthly fee you'll be paying up for a period of x years. This amount will be stable for the duration of the loan term if you're eyeing a fixed rate mortgage.

Before you can believe all the stories you hear, sort out the fact from fiction by relying on a mortgage calculator to give you the specifics.

User-friendly and Accurate

The online mortgage calculator won't frighten techno-phobics. You can immediately see the results for yourself and the explanation for the figures that will show up. For a thirty-year term for a \$150,000 house with a 10% downpayment and an interest rate of 7%, you'll be coughing up \$898.16 monthly towards the principal and the interest only.

An explanation will clearly tell you that you have to pay an additional fee for the Private Mortgage Insurance (PMI) because you've paid only 10%, instead of the 20% required for the downpayment. If you'll be paying the amortized PMI, this means an additional \$74.25, bringing the total monthly fee to \$972.41.

The calculator is convenient to use and eliminates the need for an accountant to do the figures. The instant results will help you make up your mind if you are comfortable or not with the prospective loan amount, interest rate, and the loan term. You can check out other possibilities if you choose to go for a pricier or a more affordable house. You can get all the information on different loan terms, interest rates, and downpayment until you've arrived at something you prefer and think you can afford without having to pay through the nose.

Well Informed Is Well Armed

You already have the advantage of knowing what you're getting into when you take out a mortgage. When you shop for a lending company, shop for comparative rates. You might find something even better. However, don't take up the notion that the results shown by the mortgage calculator are all that you have to spend. If this is your first ever mortgage, inquire about the fees they'll charge from the start to the closing of the loan. Add these all up and that is the money you'll need before any amount can be released to you.

Study the basic types of mortgage and how well each suits your financial circumstances, present and future. The mortgage calculator has shown you what to

expect, and whether you like the results or not, the choice is still yours.