



Article published on May 4th 2012 | [Loans](#)

The “Interest Rate Reduction Refinancing Loan”™ or IRRRL helps veterans to take advantage of the reduced interest rates so that their monthly payments can reduce. It is important to shop for lenders who will give the best VA home loan interest rates.

Facts to Know About Refinance

Before you opt for a refinance, you should know all about VA refinance rates.

• Firstly, remember that you should refinance only if the interest rate is not less than 1% of the current rate.

• A CEO or certificate of eligibility is not required for refinancing.

• If you have a conventional loan, you cannot use the IRRRL to refinance.

• It is not necessary to borrow from the same lender of your first VA loan. You can shop for a lender who will give you the best VA mortgage loans rates.

• Beware of lenders who take advantage of veterans and try to include closing costs in the loan.

• If you are using IRRRL, you cannot mix your current mortgage and another loan together, they should be separate.

• Cash proceeds cannot be taken from a refinance program.

The VA Refinancing Options

With VA home loan interest rates being relatively low, homeowners are exploring ways of getting low interest rates through refinancing their existing mortgage. VA refinancing not only provides this opportunity but also lowers monthly payments as well as cash for home improvements or for debt payments.

The first type is the IRRRL or the Streamline Refinance. Veterans who have a VA loan and would like lower VA mortgage loan rates can choose this option. This is quite simple since you are only moving from VA loan to another. There is no need of a new CEO, re-appraisals are not necessary and your expenses will be minimum. Closing costs and charges can be added to the loan balance. However, there are a few conditions. The veteran cannot receive cash back and should endorse that he/she has occupied the house.

A “cash-out refinance”™ is the second type wherein you have not taken a VA loan and would like to refinance your current conventional loan. You can utilize your home equity to receive 90% of cash. The VA refinance rates are very low in this type besides having a longer payment period.

VA Mortgage Rates Dropping

It’s the right time to refinance as the VA mortgage loan rates and also other mortgage rates are at the lowest. If you have an adjustable loan rate, make use of the situation to refinance so that you have a permanent fixed rate that is low. Even if you have a VA fixed rate loan, you can still save

over hundred dollars on your monthly repayments.

Article Source:

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Article Keywords:

VA home loan interest rates, VA mortgage loans rates, VA refinance rates

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