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Research conducted by the Australian Bureau of Statistics (ABS) shows that a significant number of people have changed their lenders over time in order to secure some better mortgage rates. This switching of lenders is called â€œmortgage refinancingâ€•. There are several important reasons why you may want to make the shift. The main one would be a speculation on the hikes in interest rates. And considering the number of lenders has increased in the market, you have a wider choice now.

One may also not be too happy about the level of service that the present lender is offering you. There is always a requirement for better mortgage flexibility and the ability to pre-pay your loan and these are some of the main advantages that you may be looking for. When it comes to consolidating debt, refinancing is commonly used as a means of converting a higher interest debt into a low interest loan, much like a mortgage. The other advantage you get when you change your lender for a lower interest rate is that you will be able to get together some additional funds for renovating or upgrading of your home.

There is however a flip side that you will need to consider as well. There are significant costs associated with making the switch. For one, the basic cost of refinancing is around $1000. There are cases where this figure can be much higher. You will also need to shell out a few hundred dollars for valuation and also a fee of early discharge to your current lender. This is especially true in the case of breaking out of a fixed interest scheme.

Application fees will be there and this will be around $400 and will come into play when you are looking at a new loan and mortgage insurance to cover it. This is in case you are borrowing over 80 per cent of the value of the property. The stamp duty that you pay will depend on the state that you are living in. Refinancing also takes a significant amount of time to complete. Since you are going to a new lender, you will be dealing with two at the same time â€“ one to close up with and one to begin with. The paperwork can be really tedious. Using a mortgage refinance broker, mortgage refinance costs may help facilitate the process but be sure that you are getting the loan that is best for you and not the broker.

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Mary Jane Taguchi - About Author:
Welcome to Mortgage Refinance - Providing information and news on a mortgage refinance, home equity loans, refinance mortgage loan and debt consolidation. Our goal is to facilitate information among mortgage to get the best possible mortgage rates.

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