



An Insiders Guide to Smarter Indiana Mortgage Refinancing Shopping

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PR9.NET April 11, 2006 - Indianapolis, IN - Finding the right Indiana mortgage company can be a daunting task, but Chris France of CFIC Home Mortgage offers tips on navigating through the confusing maze of banks, mortgage brokers, and mortgage bankers:

- **Seeing Is Not Believing**— Many companies will publish unrealistic Indiana mortgage rates and closing costs just to make the phone ring. It is important to find out whether the closing costs published are all closing costs or just the mortgage broker's fees. If an Indiana mortgage rate advertisement is much better than others you have received, ask the loan officer for a Good Faith Estimate. You will likely find it is either not accurate or you are being charged excessive fees to get that mortgage refinancing rate.
- **APR Might Not Matter**— There are a number of problems with using APR to shop for a loan. First, since the state of Indiana requires minimal training, the loan officer might not know how to correctly calculate the APR for a mortgage refinancing or a second mortgage. Next, the term of the loan impacts the APR. A 30-year fixed-rate mortgage refinancing, second mortgage, or home purchase loan will have a lower APR than the exact same loan on a 15- or 20-year term. Finally, the number of days of prepaid interest on a loan affects the APR. Technically, prepaid interest is not a closing cost, but rather a "prepaid," and is simply a function of the day within the month a mortgage refinancing or second mortgage closes, and therefore irrelevant when comparing loan scenarios.
- **Daily Comparison**— If you are receiving competing Indiana mortgage rate quotes from a few mortgage companies, it is important that you receive the quotes on the same day, especially if you are shopping for a conforming or an "Alt A" (an alternative to a standard conforming) loan. These loan programs' interest rates will vary based on the daily bond market, so comparing quotes on different days will not likely reveal which company is offering the best program.

Remember: The lowest cost Indiana Mortgage Company is not always the best. Ultimately, this guide can help you find a mortgage professional that is knowledgeable, committed to your situation, and who will be there to answer questions long after your closing has occurred. For further information, contact Chris France, Manager, CFIC Home Mortgage, at (800) 943-9472.

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About CFIC Home Mortgage

CFIC Home Mortgage provides first and second mortgage solutions. For more information about how we can help you, call us at 1-800-943-9472.

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