

Press Release

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Board announces online resource to help consumers make informed choices when refinancing a home loan

For immediate release

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The Federal Reserve Board on Thursday announced the launch of an online resource to help consumers make informed choices when refinancing a home loan.

"A Consumer's Guide to Mortgage Refinancing," which is available at <http://www.federalreserve.gov/pubs/refinancings/default.htm>, contains useful tips and answers to frequently asked questions about the refinancing process. The information provided can help consumers determine when refinancing makes sense, what a refinancing will cost, and whether it is advisable to switch into a different type of mortgage. Consumers will also learn about mortgage terms and how to calculate the time it will take to recover refinancing costs before benefiting from a lower mortgage rate.

Choosing a mortgage is the most important financial decision many individuals will make. Consumers are encouraged to ask questions about loan features when talking to lenders, mortgage brokers, settlement or closing agents, and other professionals involved with the transaction to ensure that they have clear and complete answers.

The site also provides mortgage shopping worksheets, a glossary of mortgage terms, a link to an online refinancing calculator, a printable PDF format, and links to the Board's other consumer education resources on mortgages.

In addition, the Board has updated the publication "What You Should Know about Home Equity Lines of Credit" to include information for consumers on line of credit freezes or reductions in lines of credit. The updated information is available at http://www.federalreserve.gov/pubs/equity/equity_english.htm. Lenders and creditors may use the earlier version of the print version of this material until existing supplies are exhausted.

Single copies of the brochure versions of these materials are free from: Publications, Mail Stop 127, Federal Reserve Board, 20th and C Streets, N.W., Washington, DC 20551; 202-452-3245

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