

Published based on [When to Refinance a Miami Beach Mortgage](#)

When to Refinance a Miami Beach Mortgage

Refinancing a [Miami FL mortgage](#) is a good idea every time you want to consolidate debts or lower your interest rate. It may also be a very good idea when varying financial circumstances makes it difficult to meet the monthly payment.

By refinancing the loan to one with a longer term, you can lower your monthly payments considerably. Generally, you may want to think about refinancing every time you have the ability to lower your rate by over ½ a point. If you refinance for less than ½ a point difference, the charges of the new mortgage won't be covered by the savings experienced from the lower rate.

You may also want to refinance your Miami mortgage for one with a shorter life so that you pay off your house soon by building up equity faster. With shortened life, the mortgage will be paid off quicker and the total interest charges paid will be lower.

Another common reason to refinance your [Miami Beach mortgage](#) is to get the funds required to perform home improvements or to pay off big expenses. To do this, you must have enough equity in your home to obtain the needed money out.

Home owners also refinance their ARM loans to prevent interest rate increases. ARM's (also called ATM's) have started to be very popular during the last few years because of their flexibility. The problem with ARM's is that after a few years, there is a recast of the mortgage and the monthly payments tend to suffer a large hike.

If you expect to stay in your house for many years, you might prefer to refinance your Miami mortgage with a 30 year fixed-rate loan. With a locked in interest rate, you get the predictable payments throughout the mortgage term.

If you are thinking of moving within the next few years, you may want to think about getting another ARM. Most of the time, ARM's begin with a lower rate and might fit your financial goals better.

If you desire to have a clear idea of what is the best type of Miami mortgage loan for you, you can contact me and we will look at your present mortgage and your financial objectives to find the right mortgage for you. We will study things such as:

- The lowest interest rate you can apply for
- How long do you wish to take to pay your loan
- Are you expecting to increase your earnings in the coming years or will they stay constant
- The tax consequences of your new Miami mortgage

Finally, keep in mind that refinancing is a very good idea when you are expecting to live in the house for more than 2 years. Otherwise, the cost of refinancing a [Miami Beach mortgage](#) won't be recouped.